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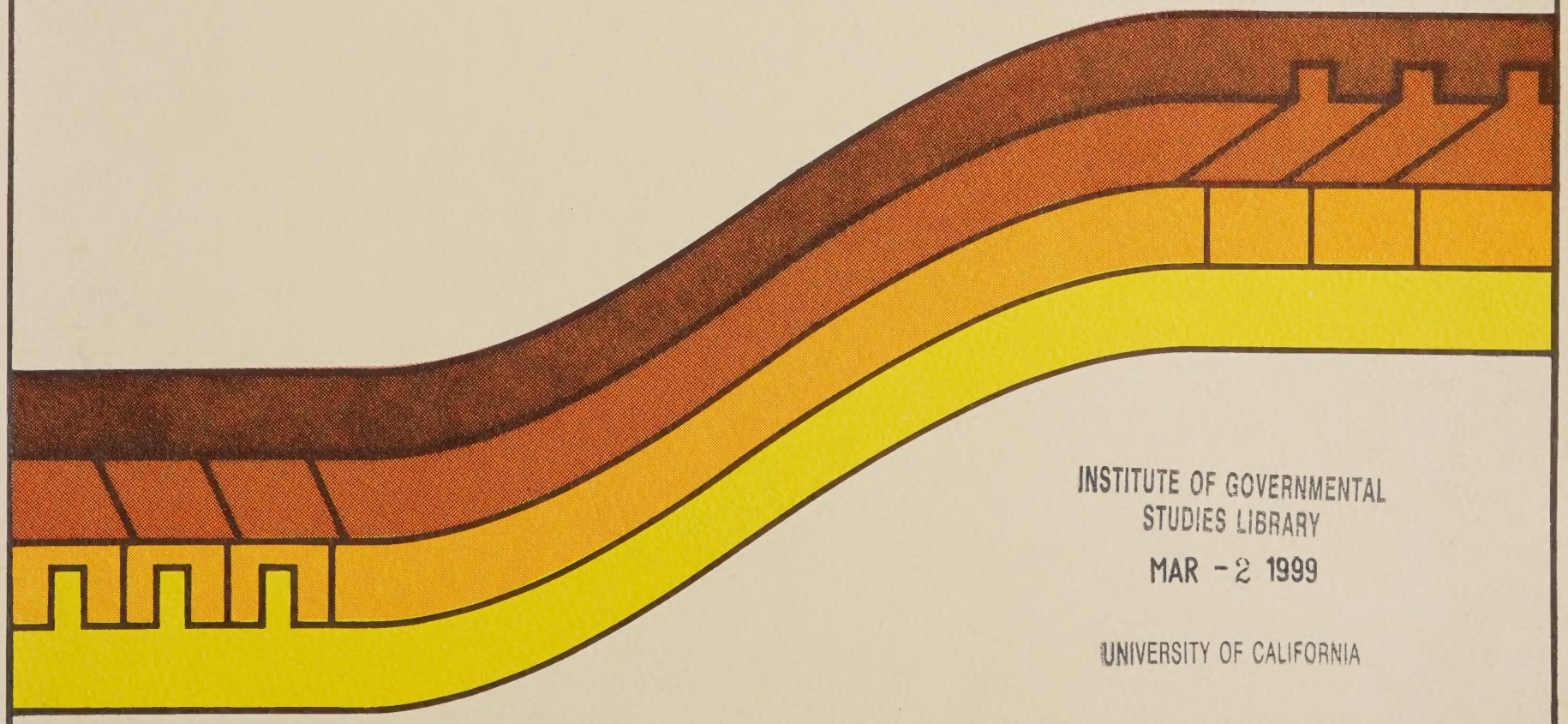

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An Element of the Oakland Comprehensive Plan

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99 00233

Housing

An Element of the Oakland Comprehensive Plan

City of Oakland

Adopted by the City Council March 4, 1986

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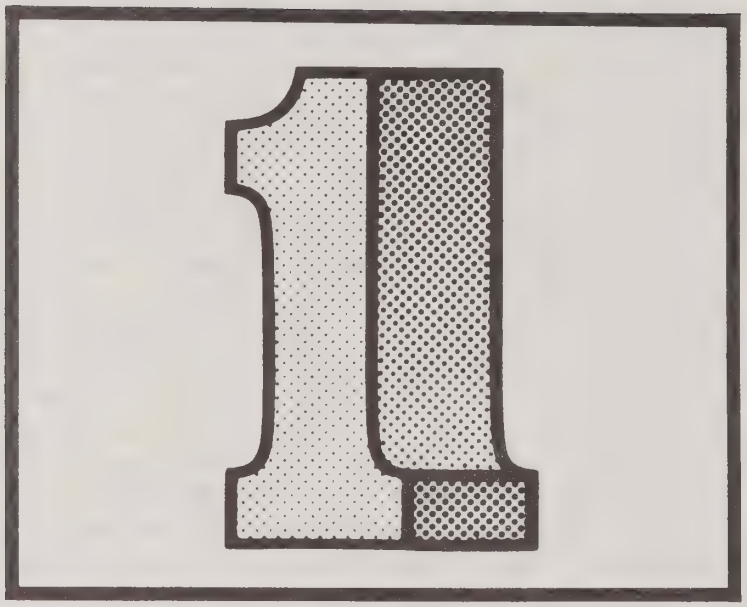


Introduction and Summary

The physical appearance of Oakland as a whole and the life style of its residents are directly related to the condition, cost, and availability of its housing. In many respects, the housing of a community mirrors its moods and self-image, as well as its government. Housing can be a status symbol, hobby, business, retreat, and sanctuary, as well as shelter. It is also a depository of Oakland's heritage expressed in the varied architectural styles throughout the City. Because of all these things, housing will continue to be one of the most important concerns of Oakland's citizens and its government.

Consistent with this concern are the following goals of the City of Oakland:

. To ensure that every Oakland family has the opportunity to live in a sound housing unit, large enough to accommodate its members, at a reasonable cost relative to its income, and free from noneconomic constraints on its freedom of selection.

. To provide for the housing needs of all economic segments, all age groups, and all household types.

. To ensure a reasonable balance of housing according to tenure (such as conventional ownership, condominium, or rental), dwelling type (such as single family or multi-family buildings), price, density, type of amenities, and location.

The Oakland Policy Plan contains other goals, which, although not directly related to housing, are relevant and indicative of the City Council's commitment to housing and associated issues. These goals are:

- To preserve and create attractive, safe, and convenient neighborhoods with good housing and adequate schools, parks, recreation centers, and other needed facilities.

- To protect and improve Oakland's physical environment.

- To ensure that each family, regardless of its income and relative to its needs, has access to the City's full range of benefits.

This concern with housing is also evident at the State and National levels. California has enacted a law requiring all cities in California to adopt a Housing Element as part

of their general plans. In addition, the Federal government has supported this thrust by insisting on a housing program as prerequisite for certain kinds of Federal funding. This report will carry forward and update existing city housing policies in a manner that will satisfy local, State, and Federal requirements.

Relationship of Housing Element to the Comprehensive Plan and General Plan

The Housing Element is one of many elements of the Oakland Comprehensive Plan; its policies are also incorporated into the Oakland Policy Plan. The Oakland Comprehensive Plan consists of the Oakland Policy Plan and any other element (report, action program, etc.) that Council declares to be part of the Comprehensive Plan.

Oakland, however, is legally required to have a "general plan". State Planning Law requires this of all cities; it cites various elements (such as housing, open space, and conservation), which a city shall or may include. "Housing" is a required element. The Oakland City Charter also mentions the City's "general plan" without, however, defining it. For purposes of satisfying these two requirements, the City Council has declared that the Comprehensive Plan is also the City's general plan. Therefore this document, as adopted, is simultaneously the Housing Element of the Oakland Comprehensive Plan and of the City's general plan.

Summary

The Housing Element takes a problem-oriented approach by examining the general areas of substandard housing, overcrowding and housing production, housing needs of low and moderate-income families, overconcentration of publicly-assisted housing, and discrimination in housing. Each subject area is examined quantitatively, relying largely on Census data, and then reviewed for problems and obstacles effecting it. This is followed by existing, modified, and new City policy, formulated to resolve the identified problems. Finally, existing and new programs impacting the identified problem areas are covered. Chapter II, An Overview of Oakland Housing, provides the general setting and background for the element. The chapter notes that Oakland has a population which has declined over recent decades, a significant unemployment rate, and a housing stock which in 1980 was 49.5 percent single-family and 50.5 percent multi-family. In the future, it is expected that Oakland's population will generally stabilize around its present level but will gain a significant number of housing units because of the growing number of one-person households demanding housing. The spiraling cost of housing coupled with high demand will continue to have a substantial impact on the City's low and moderate-income population.

Chapter III, Substandard Housing, notes that Oakland, like most central cities, possesses a housing supply which is generally old and often in poor condition. An estimated 14,420 housing units in the City are considered deteriorating (9.4 percent) or dilapidated (0.2 percent). The existence of poor housing conditions is related to the economy of the City and the fact that poor people, whether owners or tenants, cannot afford to adequately maintain their housing. The City's major policy and program response has been oriented towards providing below-market-rate rehabilitation loans and grants and supportive services.

Chapter IV, Overcrowding and Housing Production, considers three interrelated issues: overcrowding, housing production, and housing costs. The 1980 census indicated that 9,437 of the City's households experienced overcrowded conditions. Exacerbating the situa-

tion is a slump in residential construction in Oakland in recent years and a dramatic rise in housing costs. Basically, families are overcrowded because they cannot find adequate lodgings at a price they can afford, and the private market cannot build low-cost housing without government subsidies. Rising costs are a function of the continued desirability of the single-family house, the rising price of land, raw materials, and financing, and the buying power of families with two wage earners. These factors create a demand that has had repercussions on all aspects of the housing market, particularly on the low-income household. The City's only option to meet these needs is to rely on Federal and State rental subsidy programs or subsidized construction programs.

Chapter V, Housing Needs of Low and Moderate-Income Families, concentrates on those households which are "priced out" of the market for adequate housing that meets their needs. Data for 1980 indicates that there were 66,700 low-income households in Oakland, accounting for 47 percent of all households in the City. It is also estimated that 33,421 rental and 9,985 owner households in the City paid an excessive (more than 30 percent) amount of their income for housing payments. Almost 35,000 households actually paid more than 35 percent of their income for housing. The major problem, of course, is that there are not enough low-priced units or rental subsidies to meet the need. Here too, the City must rely on Federal and State housing programs to solve this problem.

Chapter VI, Overconcentration of Publicly-Assisted Housing, examines the impact of publicly-assisted housing projects on Oakland's neighborhoods; it also examines the associated concern of restricted housing choices for low-income families. The entire assisted housing stock (excluding Section 8 program units whose locations vary) is concentrated in 70 of Oakland's 104 census tracts. Most units are clustered in the City's low-income neighborhoods. The City has responded by encouraging efforts to provide greater choice for low-income households through an increase in the quantity and quality of locations and types of housing available to low and moderate-income households. The City has also developed a publicly-assisted housing allocation system to avoid excessive impact on any given neighborhood. This system assures a minimum distance between assisted housing locations and limits the size of projects.

Chapter VII deals with Discrimination in Housing. It is evident that housing discrimination continues to be a serious problem for the Black and Spanish-origin population, single women with children, and other minorities. Restrictive loan practices, screening and "steering" of clients by real estate agents, and control of market information are a few of many discriminatory housing practices which have operated in Oakland. Although regulatory agencies abound at the Federal, State, County, and City levels, commitment in the form of money or manpower to control such practices has been limited.

Chapter VIII, the last chapter, provides a summary of the City's policies and programs, discusses the City's implementation processes, and outlines a five-year (1985-1990) action program.

Public Participation

To assist them in their deliberations concerning approval of the Housing Element, the Oakland City Planning Commission appointed a Task Force to review the draft document submitted to them by staff and to consider all comments that had been received on the draft, including those submitted by the California Department of Housing and Community Development. The Task Force had three meetings and recommended a number of changes to the draft document. Members of the Task Force, which

was chaired by Planning Commissioner Bruce Black and co-chaired by Planning Commissioner Elijah Turner, consisted of the following persons.

Name	Affiliation
Bob Chastain	Oakland Housing Organizations
Arthur B. Geen	Alameda County Taxpayers Association, Inc.
Mitch Hardin	Oakland Chamber of Commerce
Dick Hughes	Grubb and Ellis
Vivian Kahn	Kahn/Mortimer Associates
Lynette Jung Lee	East Bay Asian Local Development Corporation
Dick Neault	Neault and Associates
F. Kathryn Porter	The Claremont Company
Michael Rawson	Legal Aid Society of Alameda County
Perry Shers	Small Owners for Fair Treatment
Michael Wong	Asian Law Caucus

An Overview of Oakland's Housing

This chapter presents a descriptive analysis of changes in Oakland's population and housing, a review of its housing market, and a statistical survey of households with housing problems. It provides a basis for understanding subsequent chapters which deal with specific housing problems. A broad-brush picture of the condition of Oakland's housing stock is also provided.

Oakland's Population Characteristics

Oakland has been experiencing a downward trend in population since the 1950's. In that decade there was a 4.6 percent decrease in population. The 1960's saw a further 1.6 decrease to a 1970 population of 361,561, and by 1980, population had declined another 6.1 percent to 339,337. (Oakland's population however, has been increasing since 1980 according to the State Department of Finance which estimated the City's population to be 351,115 on January 1, 1985.) This general decrease in population since 1950 has been accompanied by a major ethnic transition in which Oakland's white population steadily declined while its nonwhite population steadily increased. By 1970, 41 percent of the City's residents were nonwhite, and as of 1980, only 35 percent of the City's population was white. (See Table 1.) Although

TABLE 1

TOTAL POPULATION BY RACE: OAKLAND, 1970 AND 1980

	1970		1980		CHANGE	
RACE	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
TOTAL	361,561	100.0	339,337	100.0	-22,224	-6.1
Black*	122,301	33.8	157,314	46.4	+35,013	+28.6
White*	182,620	50.5	118,088	34.8	-64,532	-35.3
Other*	21,268	5.9	31,443	9.3	+10,175	+47.8
Spanish Origin	35,372	9.8	32,492	9.6	-2,880	-8.1

SOURCES: 1970 and 1980 Census of Population and Housing
*Excluding Spanish Origin.

TABLE 2

TOTAL POPULATION BY AGE: OAKLAND, 1970 AND 1980

	1970		1980		CHANGE	
AGE GROUP	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
TOTAL	361,561	100.0	339,337	100.0	-22,224	-6.1
Under 5	26,543	7.3	23,380	6.9	-3,163	-11.9
5-9	28,158	7.8	21,344	6.3	-6,814	-24.2
10-14	27,882	7.7	22,506	6.6	-5,373	-19.3
15-19	28,355	7.8	25,884	7.6	-2,471	-8.7
20-44	119,712	33.1	138,079	40.7	+18,367	+15.3
45-64	83,303	23.1	63,349	18.7	-19,954	-24.0
65+	47,608	13.2	44,795	13.2	-2,813	-5.9

SOURCES: 1970 and 1980 Census of Population and Housing

there has been a long term decrease in population, it is assumed that the population will stabilize at roughly its present level; expected changes will be limited to variations in size and type of household.

AGE COMPOSITION

For the period 1970 through 1980, every age category declined except for the 20-44 age group which increased 15 percent. (See Table 2.) This group occupies an overwhelming (40 percent) share of the population, over twice as much as any other age category. Those between the ages of 20 to 44 represent the tail of the "baby boom" of the fifties and early sixties.

Nationwide, births are up as this baby boom group reaches maturity. However, in Oakland the number of children under five fell almost twelve percent, and the 5-9 group showed the largest drop of any group--24.2 percent. Overall the decline for persons under 20 was close to 18,000. Despite this decline in the number of younger persons, the median age in Oakland remained constant at 31 years. This is because the 45-64 age group also suffered a loss of 24 percent.

These shifts in population by age group were reflected differently in the City's racial groups. The white population declined in all age groups, and the nonwhite population gained in all groups. The number of white persons under 18 years decreased almost 60 percent, while those over 65 decreased by only 25 percent. The number of nonwhite persons under 18 was virtually unchanged. The nonwhite population 18 years and older increased by more than 65 percent. Within both population groups, the changes in age composition meant that children were a smaller share of the total. Children in 1980 made up 10 percent less of the total nonwhite population than in 1970.

HOUSEHOLD COMPOSITION

Although the total number of people living in Oakland decreased between 1970 and 1980, the number of households increased--a trend that is expected to continue in the future. Reasons for this decline in the size of households include the nationwide trends towards more households headed by single people, higher divorce rates creating family dispersals, more nonfamily households (those containing one person or unrelated individuals), and younger people establishing households earlier than in previous years.

TABLE 3

HOUSEHOLD COMPOSITION: OAKLAND, 1970 AND 1980

	1970		1980	
	NUMBER	PERCENT	NUMBER	PERCENT
TOTAL HOUSEHOLDS	138,831	100.0	141,657	100.0
FAMILY HOUSEHOLDS	89,233	64.3	79,649	56.2
Husband-Wife	69,998	50.4	51,331	36.2
Other with Female or Male Head	19,235	13.9	28,318	20.0
Households of Unrelated Individuals	49,598	35.7	62,008	43.8

SOURCES: 1970 and 1980 Census of Population and Housing

These shifts in the quantity and composition of households in Oakland are shown in Table 3. The proportion of family households fell from 64 percent of total households in 1970 to 56 percent in 1980, while the proportion of households with unrelated individuals rose from more than 35 percent to over 43 percent in the same period. In addition, families headed by a husband-wife couple lost its proportional share of total households, while families with single male or female heads gained.

INCOME OF FAMILIES AND UNRELATED INDIVIDUALS

In the decade between 1970 and 1980, the median income of Oakland's families increased from $9,626 to $17,651, an 83 percent increase. (The Bay Area consumer price index for this same period increased 93 percent which would seem to indicate a decrease in real income for Oakland families.) For Oakland's unrelated individuals, the median income, $7,699 in 1979, rose 133 percent.

The income of Oakland's nonwhite groups increased over this period but remained below that of the population as a whole. However, there were almost twice as many nonwhite families earning $10,000 or more a year in 1979 than there were nonwhite families whose income was below the Federal poverty level.

POVERTY AND UNEMPLOYMENT

Family income alone is not the most accurate measure of economic well-being since it does not take into account the size of the family or the number of wage earners. As of 1980, 18 percent of Oakland's residents and 16 percent of Oakland's families had incomes below the Federally-established poverty level. In other words, almost one out of every five Oakland residents had incomes insufficient to maintain a minimum standard of living. The largest proportion of poverty families was concentrated in the black population where 24.9 percent of the persons and 23.4 percent of the families were classified as poor. In the Spanish Origin population, 20.3 percent of the persons and 17.4 percent of the families were below the poverty level. Of the families below the poverty level, 64 percent had females as the family head, and of the poor black and Spanish Origin families, 74 percent and 45 percent, respectively, had female heads. This indicates the greatest burden of poverty falls upon single women with dependent children.

Consistent with Oakland's relatively high poverty rate, the unemployment rate has been consistently high compared to the region. In 1980, 10.3 percent of the men and 8.4 percent of the women in the civilian labor force were unemployed. Black men and women had a significantly higher rate of unemployment--15.9 and 11 percent respectively. Spanish Origin men also had a higher than average rate--11.9 percent in 1980.

Oakland's unemployment rate, according to the State Employment Development Department, increased from 7.5 percent to 12.4 percent between 1980 and 1983. As of October 1984, the rate was more than eight percent. For comparison, the State's unemployment rate rose from 5.9 percent in early 1980 to 7.5 percent in mid-1984 after reaching 11.1 percent in late 1982.

Oakland's Housing Characteristics

Despite the decrease in population from 1970 to 1980, Oakland's housing stock expanded by 2.5 percent from 146,608 housing units to 150,229 units. The period between 1980 to

TABLE 4

TOTAL HOUSING UNITS BY SIZE OF STRUCTURE: OAKLAND, 1970 AND 1980

UNITS IN STRUCTURE	1970 NUMBER	1970 PERCENT	1980 NUMBER	1980 PERCENT	PERCENT CHANGE
TOTAL	146,608	100.0	150,229	100.0	+2.5
1	72,114	49.2	74,186	49.4	+2.9
2 or more	74,308	50.7	75,855	5.05	+2.1
Mobile Home or Trailer	186	0.1	188	0.1	+1.1

SOURCES: 1980 and 1980 Census of Population and Housing

1984 saw a further 1.3 percent increase in the number of housing units.

OAKLAND'S HOUSING INVENTORY

Table 4 shows the change in housing units by size of structure. The number of single-family units in Oakland increased by close to three percent between 1970 and 1980; units in multiple-family structures gained only two percent. Oakland's housing stock is almost equally divided between single-family and multi-family units, and this proportion has remained constant since 1970.

The percentage of owner-occupied housing units has also remained stable at 42 percent of the occupied housing stock; there are 60,805 owner-occupied housing units. Table 5 shows that owner-occupied single-family units increased by almost five percent while multiple-family owner-occupied units fell by almost nine percent. The renter-occupied housing stock stands at 80,852 units for 1980. The number of renter-occupied units in structures with two or more units increased by three percent between 1970 and 1980 while the number of single-family rental units declined by six percent (see Table 6).

TABLE 5

OWNER-OCCUPIED UNITS BY SIZE OF STRUCTURE: OAKLAND, 1970 AND 1980

	1970		1980		
UNITS IN STRUCTURE	NUMBER	PERCENT	NUMBER	PERCENT	PERCENT CHANGE
TOTAL	58,831	100.0	60,795	100.0	+3.3
1	52,346	89.0	54,882	90.3	+4.8
2 or More	6,430	10.9	5,855	9.6	-8.9
Mobile Home or Trailer	55	0.1	58	0.1	+5.5

SOURCES: 1970 and 1980 Census of Population and Housing

TABLE 6

RENTER-OCCUPIED UNITS BY SIZE OF STRUCTURE: OAKLAND, 1970 AND 1980

	1970		1980		
UNITS IN STRUCTURE	NUMBER	PERCENT	NUMBER	PERCENT	PERCENT CHANGE
TOTAL	80,000	100.0	80,852	100.0	+1.1
1	17,453	21.8	16,388	20.3	-6.1
2 or More	62,416	78.0	64,358	79.6	+3.1
Mobile Home or Trailer	131	0.2	106	0.1	-19.1

SOURCES: 1970 and 1980 Census of Population and Housing

Housing unit size changed little in Oakland between 1970 and 1980 (see Table 7). Units with six or more rooms increased by over three percent while units with 1-3 rooms increased at a slightly lower rate. The only decline was seen in units with 4-5 rooms, but that was by less than two percent. The proportion of the housing stock which each of

TABLE 7

YEAR-ROUND HOUSING UNITS BY NUMBER OF ROOMS: OAKLAND, 1970 AND 1980

	1970		1980		
	NUMBER	PERCENT	NUMBER	PERCENT	PERCENT CHANGE
TOTAL	146,608	100.0	150,212	100.0	+2.5
1 - 3 Rooms	47,834	32.6	49,194	32.7	+2.8
4 - 5 Rooms	65,225	44.5	62,607	41.7	-1.8
6 or More	33,519	22.9	38,411	25.6	+3.3

SOURCES: 1970 and 1980 Census of Population and Housing

these three categories occupy did not change significantly in the past decade. There was a shift since 1970, however, towards larger units with more bedrooms. Units with three bedrooms increased by almost 2,500 while those with four or more bedrooms increased by over 1,000. The number of studio apartments and one bedroom units also rose, but not as sharply. Only two-bedroom units decreased, but only by slightly more than one percent.

HOUSING COSTS

The cost of housing in the Bay Area soared over the past fifteen years, and Oakland followed this regional trend. Between 1970 and 1980, the median value of homes in Oakland rose over 200 percent from $21,300 to $67,600. Table 8 displays the value distribution of owner-occupied units in Oakland.

TABLE 8

VALUE OF OWNER-OCCUPIED UNITS: OAKLAND, 1970 AND 1980

	1970		1980		
	NUMBER	PERCENT	NUMBER	PERCENT	PERCENT CHANGE
TOTAL	51,339	100.0	51,617	100.0	+0.5
Less than $20,000	22,890	44.6	2,786	5.4	-87.8
$20,000 - 34,999	20,665	40.3	7,218	14.0	-65.1
$35,000 - 49,999	5,782	11.3	7,338	14.2	+26.9
More than $50,000	2,002	3.9	34,275	66.4	+1612.0
Median	$21,300	-	$67,600	-	+217.4

SOURCES: 1970 and 1980 Census of Population and Housing

Housing cost inflation is best illustrated by comparing the amount of housing valued at under $20,000 in both 1970 and 1980. The 1970 Census placed more than 44 percent of all owner-occupied units at a value below $20,000. In 1980 this percentage dropped to five percent. There was a consequent overwhelming increase in units valued at over $50,000--from close to four percent in 1970 to over 66 percent in 1980. In general, the amount of low-cost ownership housing in Oakland has steadily decreased during the past decade. This trend is expected to continue.

The cost of construction is an important contributing factor to high housing prices. Construction per square foot for a single-family home was estimated by the Bank of America to have risen seven percent between 1980 and 1984. The average price of a single-family dwelling consequently rose between 1980 and 1984. A survey of the Oakland Board of Realtor's Multiple Listing Service found that the average selling price increased 72.5 percent for this period. Further, the Consumer Price Index for the San Francisco-Oakland area for housing costs increased 38.8 percent during the 1980-84 period.

The rental structure in Oakland paralleled the increase in the value of owner-occupied units. The median gross rent (which includes the cost of utilities) increased 100 percent--from $116 per month to $232 per month--between 1970 and 1980. Table 9 shows the changing rental market for the past decade. As was the case for owner-occupied

TABLE 9

GROSS RENT OF RENTER-OCCUPIED UNITS: OAKLAND, 1970 AND 1980

	1970		1980		
	NUMBER	PERCENT	NUMBER	PERCENT	PERCENT CHANGE
TOTAL	79,557	100.0	79,961	100.0	+0.5
Less than $80	15,131	19.0	1,801	2.3	-88.1
$80 - $99	13,080	16.4	3,174	4.0	-75.7
$100-$149	31,473	39.6	8,126	10.2	-74.2
$150-$199	13,571	17.1	14,949	18.7	+10.2
$200-$299	3,431	4.3	33,250	41.6	+869.1
$300 or More	1,070	1.3	17,468	21.8	+1532.5
No Cash Rent	1,821	2.3	1,193	1.5	-34.5
Median	$116	-	$232	-	+100.0

SOURCES: 1970 and 1980 Census of Population and Housing

units, the number of rental units which could be considered low rent diminished. Between 1970 and 1980, the percentage of units renting for less than $100 per month fell from 35 to six percent of total units. Those units renting for $300 or more per month rose from one percent in 1970 to almost 22 percent in 1980.

Since 1980, the City's Office of Community Development has annually surveyed rental rates based on the Oakland Tribune classified ads. Between 1980 and 1984, the average monthly rental rate increased 50 percent. However, since 1982, the increase has been only 15 percent.

Oakland's Housing Market

The housing market is similar to any other economic mechanism which is regulated by supply and demand relationships. Supply considerations include quality, quantity, and price distribution of the housing stock. Demand elements include the ability and willingness of households to pay for housing of a certain type and size and in a certain location.

DEMAND FOR HOUSING

The changes in the composition of Oakland's population, discussed in the first part of this chapter, affect the demand for housing in Oakland--particularly the quantity, size, and quality of housing units for which the City's residents are willing and able to pay.

The most obvious change is in the size of Oakland's population. The population has decreased, but households have become smaller and more numerous. In addition, the numbers of young adults (20 to 44 years old) are increasing. The elderly, (those over age 65) decreased from 1970 but are expected to increase over the next couple of decades. Persons over the age 65, as a group, will require more studio and one bedroom apartments if, as expected, their population grows. Similarly, young adults will also demand smaller units and, in many cases, will compete with the elderly group for this type of housing. This competition, in some parts of the City, could limit the amount of housing available to the lower-income elderly. In addition, groups of lower-income unrelated individuals in their twenties and early thirties are likely to live together in collectively owned and rented single-family houses.

Younger households (with heads under 44 years) are exerting a significant demand on the single-family ownership market. Heads of households in the 25-44 year age group increased over 60 percent between 1970 and 1980. The demand of small, two wage-earner households has been significant and has, in some neighborhoods, outbid larger households with lower incomes. There has also been some indication that, in selected areas, increases in demand for the purchase of single-family homes has encroached upon the single-family rental market and has forced renters to look elsewhere or pay higher rents.

While Oakland's population has been getting wealthier, the average family's income has not kept pace with the rising cost of housing. Families with two wage earners have been able to absorb these costs, but low-income families and elderly persons have been forced to divert larger portions of their incomes to housing at the expense of other household necessities (such as food, clothing, and medical services). This situation is amplified by the marked shift in the age, racial, and ethnic composition of the Oakland population. The proportion of the population belonging to nonwhite groups has risen steadily in the past ten years. And the proportion of the population 65 and over, though stabilized, is quite significant. These

groups have, on the average, lower incomes, higher poverty rates, and more unemployment than the rest of the population. At the same time, a higher percentage of nonwhite households are family-type households, and the families--especially among the black population--are often headed by only one parent. While more than half of the aged and nonwhite households in Oakland are not disadvantaged and could be classified as middle-class, a significant and rising number of them cannot afford decent housing in the Oakland housing market. Since housing demand is partially a function of ability to pay, these groups have a limited ability to effect a housing demand on the private market. As such, they are often reliant on publicly-assisted housing programs to provide the inexpensive housing they need.

Other aspects of demand for housing in Oakland (the desire for a scenic view, access to shops or transportation, or proximity to a particular community, for example) while not discussed in this report, do play an important role in the Oakland housing market.

SUPPLY OF HOUSING

The most significant factor affecting the supply of housing has been a sharp rise in cost. The costs of providing new housing--especially labor, materials, and land--have all risen substantially. In fact, the Bank of America's appraisal department estimates that their 1984 yardstick house cost $74,494, a 6.1 percent increase from the year before and a cost that excludes land, sales costs, and municipal hookup fees. The costs of maintaining a house have risen as well with repairs, taxes, and utilities all becoming more expensive in the past fifteen years.

There has been relatively little new multi-family rental construction in Oakland aside from the many subsidized rental units built for the elderly. This decline in multi-family output has been occurring at the same time that the number of households in Oakland has been increasing--faster than in most previous periods. Among the key causes of this situation are interest rates for long-term financing of apartments which have remained too high to allow most new construction deals to be profitable and construction and operating costs which have risen rapidly in the past few years. Construction of rental apartments is expected to increase in the future, but the key for Oakland, as with the rest of the region, is income. If newly-formed households, which now often double up, were to experience rising real incomes and better job prospects, they would demand separate accommodations and spur the market to produce more and higher-quality multi-family housing.

THE MARKET

In a free market, the amount and cost of goods produced is the result of the interaction of supply and demand. Developers must try to build the kind of housing that people want to live in to market it successfully. For this reason, supply must respond to the demand for housing. In some cases, the market may be found to be operating acceptably. Certainly, a housing market that can meet the demands of a population with fewer families, more households, more elderly, more young adults, and more renters, is obviously behaving responsively. On the other hand, the market does not, and generally cannot, respond to the needs of low-income families and individuals for decent low-cost housing. For a number of reasons, this population finds if difficult to migrate to the suburbs or to another area where housing is almost always more expensive than in Oakland. They will tend to remain here in the City where, unless subsidized, they will live in substandard housing, be overcrowded, or pay too much for their housing. Even if economic considerations were not a problem, a market that dis-

criminates in the sale or rent of housing to nonwhite groups and large families acts to artificially restrict the supply. This, in addition to limiting choice, raises the cost of housing for these groups.

Housholds With Housing Problems: A Statistical Survey

The material presented in the chapters that follow deals in some detail with specific housing problems within Oakland. While such analysis is necessary, it is also useful to summarize, where possible, the total extent of housing problems experienced by Oakland's households.

The magnitude of three of these problems are available directly from 1980 Census of Housing data for both owner and renter households: substandard housing conditions, overcrowding, and excessive payments for housing.

Census data includes two indicators that relate to the condition of a housing unit: the adequacy of its plumbing facilities and its heating facilities. Persons-per-room ratios found in census material provide the data on over crowding, which is defined as a housing unit with 1.01 or more persons per room (see Chapter 4). Ratios relating gross rent to income and monthly owner costs to income provide the basis for excessive housing payments, which is defined as a household paying 30 percent or more of its income for housing costs (see Chapter 5).

Table 10 summarizes the results of using census data to show the extent of housing problems in Oakland, for both renters and owners. There were 141,657 households in Oakland in 1980. Of these households, 2,856 lacked some or all plumbing facilities; 7,734 had inadequate heating facilities; 9,437 were overcrowded; and 43,406 (more than 30 percent of all households) had excessive housing payments. As one would expect, rental households accounted for an overwhelming number of each identified problem.

Each indicator of a housing problem is less prevalent now than in 1970. In 1970, the number of housing units lacking some or all plumbing facilities was 4,601--38 percent higher than in 1980; those with inadequate

TABLE 10

TYPE OF HOUSING PROBLEM BY TENURE OF OCCUPANTS: OAKLAND, 1980

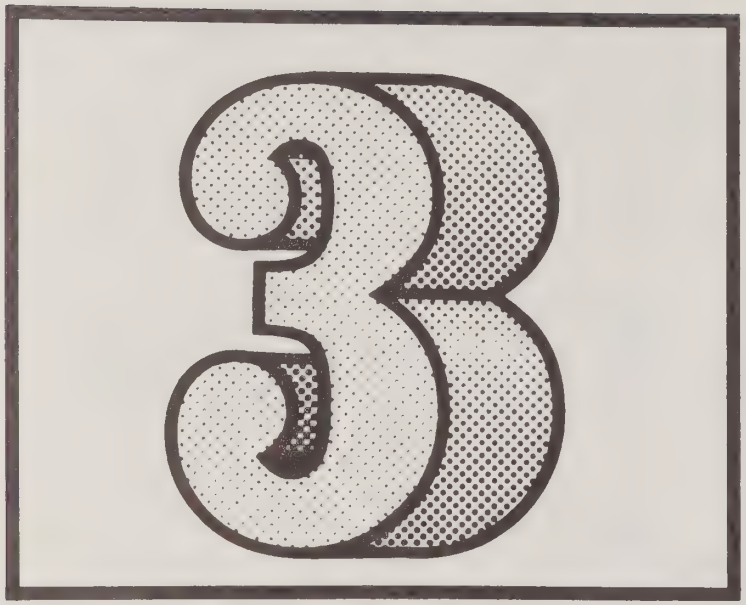
	TOTAL HOUSEHOLDS		RENTAL HOUSEHOLDS		OWNER HOUSEHOLDS	
HOUSING PROBLEM	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
TOTAL HOUSEHOLDS	141,657	100.0	80,852	100.0	60,805	100.0
Lacking Complete Plumbing for Exclusive Use	2,856	2.0	2,595	3.2	261	0.4
Inadequate Heating Facilities	7,734	5.5	5,533	6.8	2,201	3.6
Overcrowded	9,437	6.7	6,619	8.2	2,818	4.6
Excessive Housing Rental Payments	43,406	30.6	33,421	41.3	9,985	16.4

SOURCE: 1980 Census of Population and Housing

heating facilities numbered 8,728--11 percent higher; those which were overcrowded were 9,902--five percent higher; and those making excessive rental payments were 36,290--eight percent more than in 1980. (Data on excessive payments by owner households was not available in 1970.)

Two major qualifications exist concerning the data in Table 10. On the one hand, the number of households living in physically substandard housing units is understated when judged only by the condition of the plumbing and heating facilities within housing units. A more precise determination of the number of households living in deteriorating or dilapidated housing units--based on a survey conducted in 1982--is presented in Chapter 3. On the other hand, the data does not reveal how many of the households identified above as having some type of housing problem do so by choice, or do so involuntarily. A family could presumably "choose" to occupy substandard and/or overcrowded housing even though its income were high enough to find alternate suitable housing and such housing was easily available to it. Similarly, a relatively high-income family could "choose" to spend a high proportion of its income on housing even though less expensive but highly suitable housing was also easily available to it. Such households having so-called "housing problems" for the above two reasons should be excluded from the number of households having "legitimate" housing problems.

Three types of situations could account for households experiencing some type of "legitimate" housing problem involuntarily. First, a household which has too low of an income to find suitable housing that it can afford may be "forced" to accept housing that is substandard, too small, and/or too expensive. Chapter 5 attempts to identify households in this category by dealing with the housing needs of low and moderate-income families. Secondly, the unavailability of sound housing of the right size may "force" some households--even those with a relatively high income--to occupy inadequate housing. Chapter 4 discusses the extent to which the housing stock itself may be a contributing factor. And finally, a household--even with sufficient economic resources--may be "forced" to occupy inadequate housing because it is denied, for various reasons, access to otherwise suitable housing. Chapter 7, dealing with discrimination in housing, attempts to identify the number of households experiencing housing problems due to this factor.



Substandard Housing

Oakland, like most central cities, possesses a housing supply which is generally old and, especially in lower-income areas, in poor condition. Almost half of the City's total housing stock was built more than 40 years ago. These houses, if poorly maintained for a number of years, are highly likely to be substandard. For a number of reasons, the lack of maintenance of the City's housing stock has produced a significant number of deteriorating housing units. This category of housing is estimated to constitute almost ten percent of the total housing stock. In addition, Oakland has a number of vacant or abandoned housing structures. This chapter discusses various aspects of the substandard housing problem. The extent of the problem is dealt with first, followed by a discussion of major problems and obstacles which tend to hinder solutions. The chapter concludes with City policies dealing with substandard housing and discusses programs and strategies for alleviating the substandard housing problem.

Extent of Problem

Most of Oakland's housing stock is over 20 years old. Forty-one percent of the total occupied units in 1980 were in buildings constructed over 40 years ago. Another 36 percent of the occupied units were built 20 to 40 years ago. (See Table 11.) The age of Oakland's housing, alone, indicates the importance of public and private efforts to maintain, conserve, and restore these older dwellings.

TABLE 11

OCCUPIED HOUSING UNITS BY YEAR STRUCTURE BUILT: OAKLAND, 1980

YEAR STRUCTURE BUILT	TOTAL OCCUPIED UNITS		OWNER-OCCUPIED UNITS		RENTER-OCCUPIED UNITS	
	UNITS	PERCENT	UNITS	PERCENT	UNITS	PERCENT
TOTAL	141,657	100.0	60,805	100.0	80,852	100.0
1975 And After	3,832	2.7	1,606	2.6	2,226	2.8
1970 to 1974	7,334	5.2	1,552	2.6	5,782	7.2
1960 to 1969	22,034	15.6	5,299	8.7	16,735	20.7
1940 to 1959	50,579	35.7	20,994	34.5	29,585	36.6
1939 or Before	57,878	40.9	31,354	51.6	26,524	32.8

SOURCE: 1980 Census of Population and Housing

Fortunately, it seems that the overall condition of Oakland's housing has improved compared to the situation in the mid-sixties and early seventies. In 1966, a special survey found that 18 percent of the housing units were in structures which were deteriorating or dilapidated. By 1982, another survey found that only 9.6 percent of the units were not in "sound" condition. A summary of the 1982 survey and its application to the Census housing figures is found in Table 12.

This improvement is due to a combination of several factors. One is the demolition of a significant number of residential buildings,

TABLE 12

ESTIMATED TOTAL HOUSING UNITS BY CONDITION: OAKLAND, 1982

CONDITION OF STRUCTURE CATEGORY	TOTAL HOUSING UNITS		SINGLE-FAMILY UNITS		MULTI-FAMILY UNITS	
	UNITS	PERCENT	UNITS	PERCENT	UNITS	PERCENT
TOTAL UNITS	150,212	100.0	90,889	100.0	59,323	100.0
Sound	135,792	90.4	78,801	86.1	55,230	93.1
Deteriorating (Rehabilitation Feasible)	14,120	9.4	12,088	13.3	3,915	6.6
Dilapidated (Rehabilitation Not Feasible)	300	0.2	-0-	0.0	178	0.3

SOURCE: Oakland Housing Condition Survey, 1982, Office of Community Development and 1980 Census of Population and Housing

principally for public projects such as redevelopment, road and highway construction, new public facilities, and code enforcement. From 1970 to 1980, more than 4,000 housing units were demolished; in the 60's, more than twice this number were removed from the supply. Despite this tremendous loss, new housing construction increased the City's net total housing count during that same twenty year period by 8,750 units to 150,229 total units. Almost 6,000 of these new units were built under various government programs which provided subsidies and assistance for new lower-income housing. (See Chapter 5.) Nevertheless, the demolition of so many housing units must have created a significant impact on the remainder of Oakland's housing stock and many hardships for the persons displaced. While no accurate figures are available, it can be assumed that most of the demolished units were older and probably in poor condition. Many were occupied by lower-income households whose displacement undoubtedly created pressures on the remaining lower-priced units elsewhere in Oakland thus contributing to higher rents and lower vacancy rates.

VACANT AND ABANDONED HOUSING

In the late sixties and early seventies, housing abandonment was a serious problem in some parts of Oakland. The situation has been steadily improving over the last eight to ten years. Factors which have contributed to this improvement include: low rental vacancy rates and higher rents; availability of low interest loans and grants for correcting code deficiencies; City code enforcement actions; and a growing public attitude that older houses should be preserved and restored and that they make desirable places in which to live.

In 1981, and again in 1983, the City's Office of Community Development (OCD) surveyed all single-family homes in the seven community development districts. The 1983 survey showed a significant reduction over 1981 in the vacant housing count in each district, with the exception of the Elmhurst district.

The two surveys rated each home by its condition, existence of fire damage, whether it was properly boarded and secured from vandals

and noted if it was for sale or rent. The results of these surveys seem to demonstrate a dramatic improvement in housing quality in Oakland. In comparison to 1974, when about 1,200 vacant units were found in East Oakland alone, there are now only 366 vacant units in East Oakland and 484 vacant units in all seven community development districts.

However, any number of vacant homes not actively for sale or rent represents a serious problem for a neighborhood. Most of this type of housing needs a substantial investment in work and money to make it habitable. The longer a house is vacant, the more likely it is to suffer vandalism and fire damage, and the more it will cost to rehabilitate. The presence of abandoned homes also serves to discourage investment in maintenance by other property owners. In addition, owners of dilapidated vacant homes often either cannot or will not take action to repair or dispose of their property.

The City has several programs focusing on vacant homes. These include code enforcement, demolition of hazardous dwellings, vacant housing acquisition and resale, and HUD's urban homesteading program. These are described in more detail in Chapter 8.

In 1983, 22 percent of the homes surveyed by OCD were in good condition. About ten percent were actively for sale. Over half of the homes (260 structures) were judged to be in poor condition with the need for major repair. For many of these buildings, demolition may be the only economic answer. The remaining 24 percent were substandard, but rehabilitation appeared feasible since the cost of such work was less than 50 percent of the replacement cost.

Problems and Obstacles

Several factors exist in Oakland which serve as obstacles to the rehabilitation of the City's housing stock. Most of these factors are common to all older central cities with large lower-income populations. Other factors, which have come into play only recently, may be encouraging disinvestment and furthering deterioration. Still others, which result in improved housing conditions, will produce higher rents or displacement of lower-income tenants. These obstacles and problems are discussed below.

ECONOMIC OBSTACLES

1. Affordability. Many lower-income homeowners cannot afford any increase in their housing costs; even the payments on a low-interest loan may be too much for their budget. Even moderate-income homeowners may find home repairs or improvements difficult to afford. This is especially true for those who bought an older home within the last five or six years. Their monthly expenses may be so high already that they don't have the ability to pay for rehabilitation or repairs, and yet their incomes are too high to qualify for the City's rehabilitation loans.

2. Rehabilitation of Rental Property. Rehabilitation of rental properties is even more difficult to encourage. The market rents in some neighborhoods may not be high enough to provide owners with an incentive to maintain and upgrade their rental property. The subsidized loan programs available for rental rehabilitation are very limited compared to the need. It is often necessary to combine low interest loans with rent subsidies to prevent tenant displacement or higher rents. This makes rental rehabilitation programs very expensive. Sometimes, tenant relocation is inevitable, such as when the rehabilitation process results in fewer units in a building than existed before. This can be a very controversial problem especially

when there are few housing choices for the displaced tenants.

3. Lack of Sufficient Funds For Rehabilitation Programs. The problem of affordability is compounded by limited funding available for rehabilitation loans. The goal of rehabilitating the maximum number of units conflicts with the goal of providing financial assistance to those who can least afford commercial loans. To reach the low-income owner or renter, substantial subsidies are necessary. In its homeowner loan programs, Oakland attempts to strike a balance between deferred loans and low-interest loans. Formerly, the City offered rehabilitation grants to homeowners, but these were discontinued in favor of deferred loans which are repaid when the property is sold. Oakland also makes use of federal and state rehabilitation loan programs and local mortgage revenue bonds.

4. Tax Incentives. The tax laws have not specifically encouraged the rehabilitation of rental housing with the exception of credits for energy conservation improvements and for substantial rehabilitation of very old or historic buildings. The investor-owner's motivation to make major improvements to his or her property is the belief that the expense will result in a significantly higher market value for the property or greatly increased rents. In periods such as the last several years where existing housing values are increasing only two or three percent per year, this incentive is not very strong.

SOCIAL OBSTACLES

One factor contributing to substandard housing is the lack of experience on the part of some homeowners with the financing, planning, and carrying out of major repairs or rehabilitation work. In some cases, this lack of experience extends to ignorance of the range of maintenance activities necessary to keep a house in good condition and how to budget for such maintenance costs. In a similar vein, some homeowners are not familiar with home loan instruments and such mortgage terms as "delinquent," "default," and "foreclosure"; neither are they familiar with their options for redress when they fall in arrears in their house payments. This ignorance has led to situations where low-equity homeowners, who are behind in their house payments and have received a delinquency notice, abandon their property which, when vacant, often becomes vandalized. They are not aware that they have not yet lost legal interest in the property or that the mortgage holder may be willing to negotiate the problem rather than go through foreclosure proceedings.

PHYSICAL FACTORS

1. Age. With 77 percent of Oakland's housing over 20 years old, age alone indicates that there is a big need for programs to combat housing deterioration. However, the last 10 to 15 years have seen a growing interest and appreciation of the design, architecture, and materials found in older homes. Oakland still possesses a large collection of Victorian, Neoclassic, Craftsman, and Period Revival styles, though many fine examples have been lost to redevelopment and misguided "modernization". The success of the City Planning Department's award-winning publications, Rehab Right and Retrofit Right, which give owners specific guidance on how to renovate old homes and make energy conservation improvements without destroying the homes' architectural qualities, indicates the strong interest in housing preservation.

2. Vacant and Abandoned Housing. The pres-

ence of vacant or abandoned housing and vacant lots which collect litter and trash and generally create visual blight is a problem mentioned earlier. While the extent of the problem is declining, it is still a serious detrimental factor in certain neighborhoods.

3. Land Use Pattern. Incompatible land uses developed in close proximity without adequate buffers, screening, and design controls can cause deterioration and disinvestment in a neighborhood. In the past, some housing developments were built in areas poorly suited for housing. In other parts of the City, freeways and industrial uses have invaded residential neighborhoods. Proximity to freeways, airports, railroad tracks, or noisy and unsightly industrial or commercial uses discourages owners from investing in maintenance and rehabilitation because the value of their property will always be depressed due to its poor location.

GOVERNMENTAL OBSTACLES

1. Zoning. Industrial zoning of residential areas may contribute to their decline since it is very difficult for an owner to obtain rehabilitation financing, and permits for major rebuilding are not allowed. Industrial zoning could encourage large scale, private redevelopment and conversion to industrial uses. Usually, the cost of land assembly is prohibitive, and the result is the scattered development of small industrial sites among residential dwellings.

2. Commercial and Institutional Expansion Into Residential Areas. The expansion of commercial and institutional uses into residential neighborhoods is another contributor both to housing deterioration and loss of units. Where higher rental income results from conversion of a residence to office or retail use, owners may have little interest in maintaining their houses. The City's residential dwelling conversion controls (Section 7026 of the Zoning Ordinance) protects housing to some degree by requiring a conditional use permit for conversion. However, a property owner can obtain a demolition permit and then, later on, apply for a permit to build a new commercial structure. Owners with future plans to convert a residential structure may deliberately allow the building to become run-down, refuse to do repairs, and encourage the tenants to move out. Eventually the building may become unoccupied and uninhabitable, thus qualifying it for a use permit for conversion to commercial use.

3. High Density Zoning. Similarly, high density residential zoning in a predominantly single-family low-density area can contribute to the deterioration of the area. This type of zoning "mismatch" can result in three situations. First, there are potential psychological effects: homeowners may feel that upgrading their homes is futile if there could be a large influx of multi-family units into the neighborhood, thereby changing the area's character. Secondly, deterioration may occur from speculative investors. Property owners may hold property until the market, interest rates, or necessary financing is appropriate for redevelopment. The property is not maintained, and income from the property is "milked" as profit. The last consequence of such zoning occurs in isolated locations. Abutting properties are impacted by congestion, shadows producing loss of sunlight, and loss of privacy. For further discussion on the impact of zoning in Oakland's residential areas, refer to the City's Land Use Element.

4. Housing Codes and Code Inspections. Government codes designed to regulate the construction and rehabilitation of housing may, in some cases, discourage rehabilitation efforts. The Oakland Housing Code regulates existing structures and requires that they be brought up to and maintained at a level equivalent to those standards which were in existence at the time of the structure's construction. The inspection process associated with the code requires that all violations detected must be recorded and abated. The time period for remedying the situation varies with the severity of the violations. Generally those situations which involve definite and immediate health and safety hazards must be abated quickly. The fact that all violations are recorded and eventually must be corrected may tend to discourage persons from seeking inspections if they feel that there would be more expense as a result of such a process. Persons wishing to make modifications to a structure may either be discouraged from doing so at all or may try to do so without City inspections.

City of Oakland Policies

This section presents City of Oakland policies dealing with substandard housing. Most of these policies are a response to the problems and obstacles previously identified.

1. The City recognizes that housing is a valuable resource that should be carefully conserved and maintained and will take all necessary steps to prevent damage to the City's occupied or vacant residential property. (E)

2. A variety of rehabilitation loan programs, together with counseling and other support services, will be offered within the City's community development districts. (M)

3. Dilapidated housing units should be demolished only if they are economically infeasible to rehabilitate--even taking into account the availability of subsidies--and if adequate and affordable relocation housing is available for the occupants. (M)

4. The City actively supports revision of income and property tax laws to encourage housing stock rehabilitation and to discourage the continuation of substandard housing. (E)

5. The City vigorously discourages lending institutions from using "high risk" geographic areas (redlining)--rather than individual household credit--as a basis for screening, rejecting, or limiting home loan applications to buy or rehabilitate housing. (E)

6. The City will support, through its community development program, activities to correct blighting conditions such as trash clean-ups, tree plantings, and paint programs. (M)

7. The City encourages rehabilitation efforts which respect the architectural integrity of a building's original style. (E)

8. The City supports and encourages programs to acquire and rehabilitate long-term vacant houses. (N)

The policies followed by an "E" are existing policies found in the Oakland Policy Plan; those followed by an "M" are modifications or elaborations of policies previously adopted; and policies followed by an "N" are new policies developed as part of the most recent Housing Element amendment.

Programs and Strategies

Traditionally, there are two actions which can be taken to deal with substandard housing: rehabilitation and demolition. However, there are programs which prevent substandard conditions from occurring in the first place. The City undertakes a variety of preventative programs, including code inspection and home management counseling. Where preventative actions are not effective, the City supports rehabilitation efforts and considers demolition an action of last resort. Rehabilitation is less likely to disrupt residential neighborhoods and conserves the existing supply of the City's housing. Rehabilitation, however, is probably the most difficult action to undertake for it not only deals with the physical aspects of substandard housing units but also with associated economic and social problems. The City's programs are generally designed to encourage and assist investment in the rehabilitation of existing housing while removing only those structures which are considered economically infeasible for rehabilitation.

A wide variety of federal, state and local programs have been implemented within Oakland to improve the condition of the existing housing stock. Unfortunately, direct federal financing of rehabilitation, such as Section 312 loans and support for rental rehabilitation with Section 8 rent subsidies, has been cut severely by the federal administration. Rehabilitation activities have also been successfully carried out by community-based, non-profit organizations in Oakland. Their efforts have been significant in generating community support for neighborhood improvement. Chapter 8 describes programs which are currently available or operational in Oakland. It also summarizes the City's past performance in meeting its' goals for housing rehabilitation.

Overcrowding and Housing Production

Three housing issues--overcrowding, housing production, and housing costs--are closely linked. This chapter discusses the changing composition of Oakland households as related to housing production and overcrowding. The extent of overcrowding, the degree of concentration, and housing production is first set forth. Associated problems and obstacles are then discussed followed by City policies, City programs, and strategies established in response to these issues.

Extent of Problem

The changes and fluctuations in the size and number of Oakland households have a direct bearing on overcrowding, cost, and production problems. These changes are shown in Table 13.

Oakland experienced a slight increase of two percent in the total number of households between 1970 and 1980. The most dramatic change was in households of six or more persons which decreased by nearly one-third, a drop of close to 3,000 households; five-person households also declined by more than 12 percent. In contrast, one-person households were up almost 18 percent, an addition of over 7,800 households over 1970, and are now the most numerous type of household in Oakland.

Although a shift toward smaller households has occurred, housing production has not kept pace with this trend. The 1980 data indicates that studios and one-bedroom units gained only modestly, and the number of two-bedroom units actually decreased. While households with five or more persons dropped 43 percent, the number of units with three or more bedrooms rose more than 20 percent. A gross comparison of the number of one and two-person households and the number of zero and one-bedroom units in 1980 indicates that there is a deficiency of approximately 39,000 units. This data suggests that a large portion of one and two-person households are occupying housing units of a larger size than they need. This in turn tends to reduce the total number of units available for larger households.

OVERCROWDING

Overcrowding is one of the most pervasive housing problems in Oakland, second only to the problem of households paying more than they can afford for housing. The 1980 Census indicated that 9,437 of the City's households experienced overcrowded conditions. The conventional measure of overcrowding is a housing unit occupied by more than one person per room. For example, a typical two-bedroom apartment--including kitchen, bathroom (not counted as a room) and living-dining room--

TABLE 13

TOTAL HOUSEHOLDS BY NUMBER OF PERSONS IN HOUSEHOLD:
OAKLAND, 1970 AND 1980

NUMBER OF PERSONS IN HOUSEHOLD	1970		1980		CHANGE	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
TOTAL	138,827	100.0	141,657	100.0	2,830	2.0
1	43,960	31.6	51,802	36.6	7,842	17.8
2	44,291	31.9	42,329	29.9	-1,962	-4.4
3	19,680	14.1	20,415	14.4	735	3.7
4	13,525	9.7	13,656	9.6	131	1.0
5	7,942	5.7	6,953	4.9	-989	-12.4
6 or More	9,429	6.8	6,502	4.6	-2,927	-31.0

SOURCES: 1970 and 1980 Census of Population and Housing

would be overcrowded if it had more than four occupants. By this standard a total of almost seven percent of the total housing stock was overcrowded in 1980. (See Tables 14 and 15.)

There is little dispute that overcrowded conditions have an adverse effect on affected households and on housing itself. Overcrowding often arises when families cannot find adequate housing at prices they can afford. From the household perspective, overcrowding means loss of privacy, inadequate kitchen and plumbing facilities, and a generally inadequate living environment. It is also difficult, if not impossible, to keep up regular household maintenance as the overcrowded living space bears the brunt of accelerated wear. The economics that lead to overcrowdedness preclude, in many cases, the associated increase in repair and maintenance requirements. When overcrowding does occur, it can often lead to accelerated deterioration in the City's housing stock. Thus, overcrowding is both a symptom of an inadequate housing supply and a cause of substandard housing.

Overcrowding within the rental stock, 8.2 percent in 1980, has changed only slightly since 1970 when the rate was 8.3 percent. However, in the owner-occupied category, the proportion of overcrowded units has dropped from 5.6 percent in 1970 to 4.6 percent in 1980. It is expected that overcrowding will generally increase in the near future in the absence of active governmental construction programs and the existence of high housing costs and a high demand for housing.

Overcrowding is concentrated among certain ethnic and economic groups and in certain areas of the City. It occurs more frequently among Spanish origin and Asian/Pacific Islander households--20.1 percent in the former and 18.9 percent in the latter in 1980. The rate of overcrowding was 14.1 percent for the American Indian/Eskimo population and 7.8 percent for the black population.

Geographically the greatest amount of over-

TABLE 14

PERSONS PER ROOM IN OWNER-OCCUPIED UNITS:
OAKLAND, 1970 AND 1980

PERSONS PER ROOM	1970 NUMBER	1970 PERCENT	1980 NUMBER	1980 PERCENT	CHANGE NUMBER	CHANGE PERCENT
TOTAL	58,831	100.0	60,805	100.0	+1,974	+3.4
1.00 or Less	55,262	94.0	57,987	95.4	+2,725	+4.9
1.01 to 1.50	2,607	4.4	1,841	3.0	-766	-29.4
1.51 or More	962	1.6	977	1.6	+15	+1.6

SOURCES: 1970 and 1980 Census of Housing

crowding is found in Oakland's flatlands, where there is also concentration of the City's low-income population. (See Table 16.) The Fruitvale, Elmhurst, and San Antonio areas were most overcrowded. The Fruitvale and San Antonio areas are also where high concentrations of Spanish Origin persons live. Between 1970 and 1980 overcrowding decreased in five areas of the City (West Oakland, Elmhurst, North Oakland, and the North and South Hills) and increased in four others (Fruitvale, San Antonio, Chinatown/Central, and the Lower Hills).

Although the total rate of overcrowding for the City fell since 1970, the high demand for single-family housing in certain parts of Oakland is expected to make the problem worse. For example, homes formerly rented in North Oakland are being converted to owner-occupied units, and rents for the remaining multi-family and single family units have increased significantly. The result is that lower-income renters are being gradually forced out of the area and must compete with other low-income households for a dwindling supply of lower-priced housing. This situation, which could become more widespread throughout the City, tends to exacerbate the overcrowding problem.

HOUSING PRODUCTION

Overcrowding in Oakland is associated with a mismatch in the City's housing supply. In 1980 more than 90 percent of all owner-occupied units with eight or more rooms had households of five persons or less. Additionally, almost 70 percent of the renter-occupied units with seven or more rooms had households with four or less persons. Consequently, large lower-income families requiring large units are forced to compete financially for such housing. But these families should probably spend less than the 30-percent-of-income standard for housing since other necessary expenses take a large share of their income. Even if the housing market produced a sufficient number of appropriately-sized housing units, lower-income families could not afford them. Thus larger, poorer families are left with little choice but to overcrowd when they cannot afford large units.

TABLE 15

PERSONS PER ROOM IN RENTER-OCCUPIED UNITS:
OAKLAND, 1970 AND 1980

PERSONS PER ROOM	1970 NUMBER	1970 PERCENT	1980 NUMBER	1980 PERCENT	CHANGE NUMBER	CHANGE PERCENT
TOTAL	80,000	100.0	80,852	100.0	+852	+1.1
1.00 or Less	73,337	91.7	74,233	91.8	+896	+1.2
1.01 to 1.50	4,439	5.5	3,507	4.3	-932	-26.6
1.50 or More	2,224	2.8	3,112	3.9	+888	+39.9

SOURCES: 1970 and 1980 Census of Housing

The type, quantity, and cost level of housing units produced have a direct bearing on this problem. In an ideal situation, housing would be produced which would respond to all segments of the housing market both by size and price. Generally, however, housing which meets the greatest economic demand is most likely to be built. As a result, private market new construction since 1980 has been mostly limited to single-family homes in the hills and condominium units for the middle and upper-middle-income segments. Publicly-assisted housing, which accounted for 1,031 units or 42 percent of the housing completions between 1980 and 1983 has not effected the overcrowding situation. Only 113 of those completed were family subsidized housing units; the remainder were exclusively for the elderly.

TABLE 16

OVERCROWDED HOUSING UNITS BY HOUSEHOLD AREAS:
OAKLAND, 1970 AND 1980

HOUSEHOLD AREA	PERCENT OVERCROWDED 1970	PERCENT OVERCROWDED 1980
TOTAL	7.4	6.7
Elmhurst	14.3	10.8
San Antonio	8.7	10.3
Fruitvale	7.8	11.8
Central East Oakland	9.3	8.0
Chinatown and Central	4.0	5.2
North Oakland	5.9	3.6
West Oakland	13.4	9.0
North Hills	1.0	0.4
South Hills	1.4	1.1
Lower Hills	2.2	2.3

SOURCES: 1970 AND 1980 Census of Population and Housing

Housing demolitions fell steadily from 151 units in 1980 to 79 units in 1983. However, the majority of the demolitions occurred in lower-income areas. Overcrowding of poor families is likely to continue given this production-demolition-cost relationship.

HOUSING COSTS

The cost of housing in Oakland increased significantly between 1970 and 1980. The median value of owner-occupied units rose from $21,300 in 1970 to $67,600 in 1980; in this same period, median gross monthly rent

increased from $116 to $232. Housing costs have also continued to increase since 1980. Overall, California home prices increased 16 percent since 1980, but they rose locally at a faster pace. In 1984 the average selling price of units listed by the Oakland Board of Realtors in their multiple listing service for Oakland zip code areas was over $156,000, up 72.5 percent from 1980. A survey of rents showed an increase of 50 percent during the same period. While other factors are involved, a good part of this increase can be attributed to the higher costs of new construction. Family income, however, has not kept up with this cost increase. The median family income for the Alameda/Contra Costa County PMSA (Primary Metropolitan Statistical Area) increased only 32 percent between 1980 and 1984.

The Consumer Price Index for the San Francisco-Oakland Metropolitan Area indicates that shelter costs rose an average of 38.8 percent from 1980 to 1984. The shelter cost index for "all urban consumers" includes the following subcategories: renters' costs, residential rent, and homeowners' costs. The sharp increases in housing costs have consistently made it more difficult for poorer families to obtain adequate housing. Large poor families especially cannot afford housing of adequate size even if it becomes available. It is also likely that increasing numbers of middle-income households are being priced out of the homeownership market and are turning to rental housing. In the future, more and more families, both low and middle income, may be forced to double-up with other families to obtain homeownership status.

Problems and Obstacles

The problem of overcrowding is the product of a number of related factors. Socio-economic, physical, and governmental factors contributing to the problem are discussed below.

SOCIO-ECONOMIC

For most families living in overcrowded conditions, the cause is economic. They simply cannot afford to pay the cost of a sufficiently large housing unit. Overcrowding is not just a problem for large families; it is also experienced by smaller households. However, large families have a more limited housing selection available to them, especially if they are renters with low or moderate incomes. One solution to this problem would be to increase the funding for rental subsidy programs such as Section 8 and to increase production of new subsidized units. Increased income-maintenance payments or improved economic status would allow families suffering overcrowding more opportunity to find better housing.

However, the political and fiscal climate at both the state and federal levels is such that it is extremely unlikely that any significant increases in rental assistance or income maintenance programs will be proposed in the next few years. Job growth and economic development may raise real income levels of some households allowing them to afford better housing, but dramatic changes are unlikely.

Of course, overcrowding is sometimes a matter of choice and priorities. Savings on housing expenses can be used for other needs--such as medical bills, education, or a better car--which some families may consider to be more important. In contrast, other families will choose to pay a very high proportion of their income for housing in order to live in what they consider to be a home of adequate size and condition. Further, in certain immigrant cultures, an extended family unit under one roof may be preferred even if it results in overcrowding. American standards of living space are often much greater than those of other cultures.

PHYSICAL

One specific aspect of the availability and the distribution of housing that is generally not subject to the influence of public policy is where elderly persons occupy large single-family homes although their children have long since moved away. There are no feasible means of effectuating a redistribution of such units except through incentives which would make it attractive for small households to voluntarily shift to smaller quarters.

Another facet of overcrowding relates to the physical condition of the housing supply. Overcrowded housing places undue stress on the condition of the units. The correlation between overcrowded units and increased deterioration is high. Maintenance costs for housing are a burden for low-income families, and the accelerated pressures resulting from overcrowding simply amplify the problem. Solutions aimed at upgrading deteriorating housing might require displacement which could result in increased overcrowding.

GOVERNMENTAL

Governmental actions which reduce the housing supply or cause displacement can produce overcrowding. Even when adequate relocation housing is found for displaced households, they may be occupying housing or receiving housing assistance that would otherwise have gone to other needy households which then may be forced into overcrowded conditions. Generally, Oakland's policy is to encourage housing development of all types, sizes, and densities. The obstacles and constraints which act to limit the ability of both the private market and the sponsors of subsidized housing to develop more units are discussed in detail in Chapter 8.

City of Oakland Policies

Overcrowding is a serious problem in Oakland, particularly to the City's large families, minority groups, and low-income families. An adjustment in its housing supply to accommodate existing demands and to respond to future population changes in family size is needed. The major responsibility for the housing supply will remain in the private sector, but local government should be involved. The following policies outline those areas in which the City is able and willing to become involved.

1. The City encourages developers to construct a range of housing types, sizes, and prices proportionate to the household size and income characteristics of Oakland's present and projected population. (N)

2. Recognizing that there may be an impact on Oakland's housing needs generated by new local and regional commercial development, the City shall gather relevant data and make it available to all interested parties, and, acting on that data, facilitate the production of new housing to meet identified needs whenever possible. (N)

3. The City will continue to study the effects of economic growth and job creation on Oakland's housing market, including the demand for market-rate housing as well as for below-market-rate housing. The City will investigate programs which could specifically address this problem as more information becomes available. (N)

4. The City encourages market-rate housing development and will facilitate such development by providing assist-

ance to developers and by expediting the review and application processing for desirable projects. (M)

5. To promote the development of below-market-rate and other types of housing meeting special identified needs, the City will consider the use of regulatory concessions. These concessions might include density bonuses, parking adjustments, waiver of certain development fees, and other similar measures. (N)

6. The City supports the production and conservation of sufficient numbers of assisted and market-rate housing units to meet the needs of Oakland's large families. (M)

7. Condominium conversions are encouraged as a means of increasing housing choice when it can be found that such conversions will not create a shortage or have other negative impacts on rental housing. The City will require that the sellers of condominium conversions assist and protect the rights of both existing tenants and new buyers. (E)

8. The City will make every attempt to preserve the existing housing stock whenever possible and to limit the conversion of residential units to nonresidential uses. (N)

9. The City will require that all new housing, including publicly-assisted housing, have the qualities and amenities which will assure that it remains a positive asset to Oakland's housing stock. (M)

10. The City will cooperate with private housing producers wherever justifiable to reduce the overall cost of housing units. (E)

11. The City supports, and will initiate when possible, the development of limited equity cooperatives and other nonprofit mechanisms as a means of reducing construction, selling, and reselling housing costs. (M)

12. The City, where economically feasible, will cause to relocate, rather than demolish, residential property acquired for public or private purposes and urges Federal and State agencies to use a similar approach. (M)

13. The City encourages the construction of secondary units in accordance with the City's Zoning Regulations. The City will make available, to the public, information regarding funding sources for secondary units and will consider the use of Community Development Block Grant funds to assist the creation of secondary units for occupancy by low and moderate-income households. (N)

14. Vacant and/or surplus public or institutional lands over one-half acre in size should be evaluated for their suitability for housing development, including assisted housing, before commitments are made for other land uses. (N)

15. The City encourages well-designed mixed-use housing and nonresidential projects within the City's commercial zones, particularly in the Central District and on many of the City's major arterials. (N)

16. The City encourages the re-use of

vacant outmoded commercial and industrial buildings as joint living and work quarters, especially for members of the creative arts community. (N)

Program and Strategies

The City's policies on overcrowding and housing production stress the City's role in encouraging and facilitating the private market in developing new housing. The City also works closely with nonprofit organizations that build or rehabilitate assisted housing. In response to cutbacks in federal programs, Oakland has turned more to local sources of support for new housing including local mortgage revenue bonds, city-owned surplus land, tax increment proceeds from redevelopment projects, and targeting of Community Development Block Grant funds for new housing. These programs are described in detail in Chapter 8.

The Planning Department continuously monitors the changes in the housing supply including new construction, condominium conversions, demolitions, construction of new assisted housing, and volume of rental subsidies for existing units. Progress towards the five year goals in the Housing Element and the one and three year goals of the Housing Assistance Plan (HAP) is also periodically evaluated. The Housing Department of the Office of Community Development continues to make maximum use of federal and state housing grants and subsidies. Many innovative housing developments have been completed in Oakland.

More efficient and intensive use of the existing housing supply is another strategy for reducing overcrowding. City regulations permits the construction of secondary units in all single-family zones subject to a conditional use permit and certain size and parking standards. Secondary units are an inexpensive way to make more efficient use of the existing housing stock, especially now that there is a greater need for smaller dwelling units. Adding a secondary unit can be a way for the elderly to increase their income and thus afford to stay in their family home. The main obstacle to more extensive use of secondary units is the high cost of home improvement loans. As of October 1, 1985, there have been six applications for secondary units since July 12, 1983 when provisions for such units were added to the City's Zoning Regulations. All have been approved.

Another strategy that is being applied in Oakland to encourage more efficient use of the existing housing supply is the roommate placement services provided by Eden Council for Hope and Opportunity.

The Housing Needs of Low and Moderate-Income Families

Housing choice is directly related to a family's economic situation. The housing market operates in a manner similar to other markets where prices are set (in the ideal situation) by an interplay of supply and demand forces. In all markets, such interrelationships result in effectively "pricing out" some persons from the market since they cannot afford to participate. The only problem with such an approach to housing is that housing itself is a basic commodity which no one can do without, even if one cannot effectively compete in an "open" market situation.

As may be expected, households which have the most significant problems in obtaining housing are those at the bottom rung of the economic ladder. Housing for low and moderate-income persons consists, usually, of the least desirable units on the private market or of units which are provided with some governmental support.

Higher-income groups may also have critical housing needs; however, these groups have a wide range of housing choices and can participate in the market without the constraints common to lower-income households. Most new construction in Oakland--including both single-family and multi-family housing--has been built, designed, and priced for the higher-income market. Such housing is not a problem in Oakland and is not expected to be in the future.

This chapter explores the housing problems of low and moderate-income families in Oakland. The first section establishes the parameters of the problem. The section concerning problems and obstacles deals with factors which hinder solutions to the problem. The remaining sections outline policies applicable to the situation and actions which could be taken to put the policies into effect.

Extent of Problem

The extent to which housing availability is a problem for low and moderate-income persons can be quantified by several methods. But it is first necessary to establish how many of Oakland's households fall into these categories.

NUMBER OF LOW AND MODERATE-INCOME HOUSEHOLDS

For housing analysis purposes in this report, a low-income household has been defined as one which met HUD's income limits of families for Section 8 housing assistance in the Bay Area (up to 80 percent of the area's median).

Similarly, a moderate-income family has been defined as one exceeding Section 8 limits but no higher than 120 percent of the Bay Area's median income (see Table 17).

Applying 1980 Census income data to these limits produces the information on low and moderate-income households presented in Table 18. The table shows that in 1980 there were about 66,702 low-income households which accounted for 47 percent of all households in Oakland. (In 1970, only 28 percent [38,946] of all households were low-income.) Of these, 72 percent were rental households, over 50 percent of which were one-person households. Sixty-two percent of all rental households and 27 percent of all owner households were low-income.

There were almost 26,000 moderate-income households in 1980 (twice as many as in 1970), and these constituted 18 percent of total households in Oakland; 62 percent of the moderate-income households rented their units. Twenty percent of all rental households and 16 percent of all owner households were moderate-income. A full 82 percent of all Oakland's rental households and 43 percent of its owner-households fell into either the low or moderate-income categories.

EXCESSIVE PAYMENTS FOR HOUSING

Having established the number of low and moderate-income families in Oakland, how many have housing problems? A frequently used indicator of the magnitude of inadequacies in the housing supply is the number of households which pay an excessive or unreasonable amount of money for their housing. The current definition of "excessive" payments for housing are those equal to 30 percent or more of annual family income. Using this standard, 33,421 rental households in Oakland--42 percent of all rental households for which such computations were made--had excessive rent payments. There were 27,394 households actually paying in excess of 35 percent of their income for rent. Table 19 shows, for all rental households by income, what percentage of income is spent on rent. (The term "gross rent" used in Table 19 includes the contract rent and an estimated average monthly cost of utilities.) It is obvious from this table that as income rises, a smaller percent of income is spent on rent. Starting with the "under $5,000" income category, in which 71 percent of the rental households (for which such computations were made) paid 35 percent or more of their income on rent, and ending with the "over $50,000" income

TABLE 17

INCOME LIMITS FOR LOW AND MODERATE-INCOME FAMILIES BY SIZE: OAKLAND 1980

Number of Persons in Family	1	2	3	4	5	6	7	8
Very Low Income (Up to 50% of median)	$ 7,250	$ 8,300	$ 9,300	$10,350	$11,200	$12,000	$12,850	$13,650
Low Income (Up to 80% of median)	$11,600	$13,250	$14,900	$16,550	$17,600	$18,650	$19,650	$20,700
Moderate Income (Up to 120% of median)	$17,400	$19,920	$22,320	$24,840	$26,880	$28,800	$30,840	$32,760

SOURCE: HUD

TABLE 18

LOW AND MODERATE-INCOME HOUSEHOLDS BY HOUSEHOLD SIZE: OAKLAND, 1980

HOUSEHOLD SIZE	TOTAL HOUSEHOLDS	LOW-INCOME			MODERATE-INCOME		
		TOTAL	RENTER	OWNER	TOTAL	RENTER	OWNER
TOTAL	141,657	66,702	50,526	16,176	25,984	16,156	9,828
1	51,802	31,690	25,603	6,087	8,309	6,526	1,783
2	42,329	16,363	11,017	5,346	7,223	3,960	3,263
3-4	34,071	13,005	10,036	2,969	7,669	4,497	3,172
5+	13,455	5,644	3,870	1,774	2,783	1,173	1,610

SOURCES: 1980 Census of Population and Housing and Department of City Planning

category, in which 94 percent of such households spent less than 15 percent of income on rent, the table shows a fairly predictable relationship between "gross rent as a percentage of income" and "income."

A similar relationship can be seen in Table 20 which relates ownership housing costs (debt service, insurance, and utilities) to income. Over 50 percent of those with incomes less than $5,000 paid over 35 percent of their incomes for housing. In contrast, 73 percent of those with incomes over $50,000 paid less than 15 percent of their incomes for housing. (Table 20 includes housing units which are not mortgaged.) Of all owner households, 19 percent (9,985) paid in excess of 30 percent of their income on housing costs. Of this number, 14 percent or 7,416 households paid more than 35 percent of their income for housing.

While a very large number and percentage of Oakland households are overpaying, concern in this chapter is only with low and moderate-income families. It is these families, presumably, who not only pay excessive rents because they can't find adequate housing for less--but who can't afford these higher rents.

Table 21 shows low and moderate-income rental households who pay more than 30 percent of their income for rent. Almost two-thirds (62 percent) of low-income households experience this problem as opposed to only 11 percent of moderate-income households. Over 50 percent of all low and moderate-income one-person households make excessive rent payments.

Table 22 gives excessive payment information for owner households. Approximately 38 percent (6,159) of low-income owner households and 30 percent (2,993) of moderate-income households pay over 30 percent of their incomes for housing costs. Data was unavailable to analyze owner households overpaying by household size.

Problems and Obstacles

There are numerous problems facing the City of Oakland in its efforts to provide for the housing needs of its low and moderate-income households. Most of these problems are be-

TABLE 19

RENTAL HOUSEHOLDS BY GROSS RENT AS A PERCENTAGE OF INCOME BY INCOME: OAKLAND, 1980

GROSS RENT AS PERCENTAGE OF INCOME	TOTAL	LESS THAN $ 5,000	$ 5,000 TO $ 9,999	$10,000 TO $12,499	$12,500 TO $14,999	$15,000 TO $19,999	$20,000 TO $24,999	$25,000 TO $34,999	$35,000 TO $49,999	$50,000 OR MORE
TOTAL RENTER OCCUPIED UNITS	79,961	22,276	18,768	8,399	5,419	9,968	6,448	5,820	2,152	711
Less than 15 Percent	13,585	91	416	540	646	2,575	2,982	3,914	1,755	666
15 To 19 Percent	10,781	307	1,219	1,165	1,241	3,414	1,952	1,167	305	14
20 To 24 Percent	10,309	876	2,039	2,026	1,654	2,248	962	458	46	0
25 To 29 Percent	8,359	1,364	2,596	2,044	962	921	303	169	0	0
30 To 34 Percent	6,027	1,005	2,750	1,295	440	393	138	6	0	0
35 To 49 Percent	10,684	3,159	5,826	1,045	329	298	23	4	0	0
50 Percent or More	16,710	12,785	3,618	218	73	16	0	0	0	0
Not Computed	3,506	2,689	304	66	74	103	88	102	49	31

SOURCE: 1980 Census of Population and Housing

TABLE 20

OWNER HOUSEHOLDS BY HOUSING COSTS AS A PERCENTAGE OF INCOME: OAKLAND, 1980

PERCENT OF HOUSEHOLD INCOME	TOTAL	LESS THAN $5,000	$5,000 TO $9,999	$10,000 TO $12,499	$12,500 TO $14,999	$15,000 TO $19,999	$20,000 TO $24,999	$25,000 TO $34,999	$35,000 TO $49,999	$50,000+
TOTAL	51,397	4,844	6,092	3,188	2,790	6,430	6,649	10,105	7,075	4,224
Less than 15 Percent	24,672	210	1,924	1,246	1,253	2,840	3,500	6,034	4,561	3,104
15 to 19 Percent	7,387	320	916	472	364	1,171	1,168	1,427	1,062	487
20 to 24 Percent	5,248	374	638	292	352	922	705	986	679	300
25 to 29 Percent	3,371	415	381	355	226	426	438	633	357	140
30 to 34 Percent	2,569	310	442	225	176	308	306	447	220	135
35+ Percent	7,416	2,498	1,791	587	419	763	532	578	196	52
Not Computed	734	717	0	11	0	0	0	0	0	6

SOURCE: 1980 Census of Population and Housing

TABLE 21

LOW AND MODERATE-INCOME RENTAL HOUSEHOLDS
PAYING 30 PERCENT OR MORE OF INCOME FOR RENT:
OAKLAND, 1980

Household Size	Total Number	% All Low/ Moderate-Income Households	Low-Income	% All Low-Income Households	Moderate-Income	% All Moderate-Income Households
TOTAL	33,253	49.9	31,401	62.1	1,852	11.5
1	17,582	54.7	16,617	64.9	965	14.8
2	7,370	49.2	6,793	61.7	577	14.6
3-4	6,279	43.2	6,042	60.2	237	5.3
5+	2,022	40.1	1,949	50.4	73	6.2

SOURCE: Special Tables from HUD based on 1980 Census of Population and Housing

yond the City's control. Examples include the level of federal funding for housing assistance and the shortage of affordable housing units in neighboring cities.

The foremost obstacle to the construction of new housing is the increasingly high cost of land. This is an important issue throughout California, but it is a serious problem in the Bay Area. In Oakland, it is hard to find any land for new housing. Very little vacant land remains with appropriate zoning and a location suitable for residential uses. Most of Oakland's vacant residential land is in the hills where environmental constraints make only relatively low-density housing acceptable. (See Table 30 in Chapter 8 for a summary of vacant land in Oakland.) While some moderate-income, multi-family housing can probably be built in the hill areas, the costs of development are so high there that most new housing will be higher-income, ownership units. In other parts of Oakland, assisted housing must compete for available sites with commercial developments and market-rate condominium apartments. The City has attempted to deal with this problem by making surplus city-owned land available for housing and by subsidizing the site purchases. However, when public funds must be used to write down sites at costs exceeding $20,000 per unit, then what little funds are available produce very few units.

Of the other components of housing costs, the high interest rates in recent years are the most significant in their negative effect on housing production in general and low and moderate-income housing in particular. High interest rates result in fewer new units being constructed. Prospective home buyers drop out of the market because they are unable to qualify for loans. Even government-sponsored mortgage revenue bonds (which are one of the few feasible means of long-term financing for low to moderate-income housing)

are a casualty of high interest rates. The interest that must be paid on each bond issue is related to general interest levels; at some point the bond rate will go so high that the units financed will no longer be affordable to the target income group. The cost of financing has been one of the primary reasons that so little new rental housing has been produced in the last five to ten years.

Another major obstacle to providing increased levels of housing assistance is the insufficient level of federal funding. While the state operates a number of housing assistance programs, their funding is limited and the competition is strong. Housing is a low priority at the national level due to the political and economic philosophy of the current administration and efforts to reduce the budget deficit. Some federal programs, such as Section 8 New Construction, have been eliminated; other programs are being funded at reduced levels. Fortunately, Oakland has fared well in national competitions for the new discretionary grants for housing rehabilitation and new construction, but the funding level is still lower than in prior years.

The strong demand for housing all over the Bay Area and the lack of new construction of affordable units in adjoining cities has important impacts on Oakland's housing. Oakland has historically had lower home prices and lower rents than cities such as

TABLE 22

LOW AND MODERATE-INCOME OWNER HOUSEHOLDS PAYING 30 PERCENT OR MORE OF INCOME FOR HOUSING COST: OAKLAND, 1980

INCOME	TOTAL		LOW-INCOME		MODERATE-INCOME	
	Number	% All Low/ Moderate-Income Households	Number	% All Low-Income Households	Number	% All Moderate-Income Households
TOTAL	7,839	31.1	6,166	38.1	1,673	17.0
Less than $10,000	5,041	45.3	5,041	45.3	0	0.0
10,000-14,999	1,407	22.9	943	22.7	464	23.3
15,000-19,999	1,071	18.1	182	20.4	889	17.7
20,000-24,999	302	12.1	0	0.0	302	12.1
25,000-32,760	18	5.7	0	0.0	18	5.7

SOURCE: Special tables from HUD based on 1980 Censis of Population and Housing

San Francisco and Berkeley. High prices and extremely low vacancy rates in those cities are probably encouraging higher-income households to move into Oakland, possibly displacing low and moderate-income households in the process. There is not any data readily available to measure the extent of this trend, but it is an obstacle to increasing and preserving Oakland's low and moderate-income housing stock.

EMERGENCY HOUSING FOR THE HOMELESS

There is an increasing need for emergency housing in the City of Oakland. Due to a variety of social and economic conditions (including the shortage of low and moderate-income housing, sustained high unemployment, domestic violence, and high eviction and foreclosure rates) the problem of homelessness is not expected to decrease in the near future. More realistically, the homeless population will probably grow as the stock of affordable housing units for very-low-income families is threatened by pressure from downtown business development.

According to the Oakland Municipal Court, approximately 5,360 evictions take place each year, and the Oakland Red Cross estimates an additional 660 people are displaed annually due to fire damage. Public agency activities are also displacing approximately 200 households per year, primarily through code enforcement. The Oakland Housing Authority reports that their waiting list for Section 8 housing certificates numbers 19,000 with an average waiting period of three years.

This situation has created a severe need for shelter which is dominated not by the transient community but by long-term Oakland residents. The homeless population can no longer be solely categorized as alcoholics, street dwellers, and bag ladies. Oakland's homeless population is now increasingly composed of women and children, youths, families, victims of domestic violence, and individuals with long employment histories and employable skills. In addition, the so-called "dumping" from State mental institutions has created a large mentally-disabled homeless population in Oakland.

There are currently only five emergency shelters and two voucher programs in Oakland which provide 124 beds of shelter per night: the Salvation Army and Mission SAFE serve families and individuals; Peniel Mission serves single men; Women's Refuge serves women and children; A Safe Place serves battered women and their children; and Traveler's Aid Society and East Oakland Switchboard provide hotel vouchers. None of these facilities provides services to the emotionally and mentally disabled.

The Emergency Services Network of Alameda County, a voluntary coalition composed of Alameda County's emergency service providers, prepared a Needs Assessment Report in May 1985; it found that: (a) most shelters report their requests for shelter rose 50 percent between 1982 and 1984; (b) close to 500 different people look for shelter in any given week; (c) Oakland's shelters turn away approximately 3,000 men, women, and children each month; and (d) 77 percent of the turnaways are denied services because the shelters are full.

A Mayor's Task Force on Emergency Housing for the Homeless was formed in November 1983 to address the problem of homelessness in Oakland. The Task Force found that existing shelters are not funded adequately to meet the needs of the homeless. In addition, most shelters are faced with reductions in, or elimination of, their present funding sources. The Task Force also found that a severe lack in coordination between emergency service providers is preventing an efficient delivery of existing services to the homeless. There is, in summary, a critical financial need to support current emergency

service providers, coordination projects, and the development of new shelter facilities and services.

RESIDENTIAL HOTELS

While most residential hotels were originally built for tourists and other transients, these buildings now provide shelter for thousands of elderly, handicapped, and very-low-income families. Since many of the structures are old, don't meet housing codes, and often occupy valuable downtown land, they are prime targets for demolition or conversion to commercial use. The bulk of Oakland's residential hotel units, (numbering 4,144 according to the 1980 Census) are located in four census tracts comprising the core of the Central District. These tracts have some of the lowest-priced rentals in the City. Their continued existence is threatened by development pressures from downtown office and commercial growth.

Oakland is now in the process of studying how to protect and preserve the remaining residential hotel stock. One difficulty is developing controls that can be effectively enforced.

The costs of purchasing and rehabilitating a typical hotel building can be high due to the value of the land and the age and deterioration of many of the buildings. While the State has a rehabilitation loan program for residential hotels (Special User Housing Rehabilitation Program, SUHRP) and HODAG grants can also be used, deep subsidies are necessary to keep the after-rehabilitation rents affordable to low-income tenants. On the other hand, with State and locally controlled funds, the buildings can be renovated without the costly individual bathrooms and kitchens required under the old HUD Section 8 Substantial Rehabilitation guidelines. Renovation of residential hotels is generally very cost effective compared to the construction of new lower-income housing.

City of Oakland Policies

The following policies are based on the objective of maintaining and upgrading the quality of Oakland's housing which serves low and moderate-income households. These policies also aim to encourage the construction of new market-rate housing and new subsidized housing. However, the policies and objectives recognize that, for the foreseeable future, federal and state resources for housing subsidies are going to be extremely limited; they are not expected to be a high priority at either governmental level.

1. Oakland will take maximum advantage of the full variety of available federal and state housing subsidy programs and will seek out and develop new financial resources for below-market-rate housing development. (M)

2. Publicly-assisted housing programs should be used in Oakland to emphasize homeownership opportunities for low and moderate-income families. (M)

3. The City will work with private developers to include a reasonable percentage of housing units affordable by low-to-moderate-income households within all future developments. The City will also use its influence to procure subsidies for these housing units, including the waiver of certain development fees. (M)

4. The City supports housing subsidy programs that allow low-to-moderate-income renters to eventually become homeowners. (M)

5. Oakland believes all Bay Area communities should plan and zone their areas of influence to accommodate a fair share of the region's housing

need, and in particular, should make greater efforts to facilitate publicly-assisted housing and rental housing within their jurisdictions. (M)

6. Whenever feasible, housing for low and moderate-income households should be included in all publicly-sponsored redevelopment projects. (N)

7. The City's existing stock of residential hotels is a vital housing resource for low income households, and it should be preserved whenever feasible and consistent with other City objectives. (N)

8. Oakland is committed to providing and maintaining emergency shelter and services for the homeless. The City will utilize city, state, federal, and private funding sources to help support existing shelters and to create new facilities. (N)

Programs and Strategies

Increasing the supply of housing for low and moderate-income families has been a major effort of the City of Oakland for a number of years. However, the supply of housing available to these families is still primarily governed by private-market decisions. In response to an ever diminishing supply of low-income housing, public programs (mainly federal) have been used to stimulate production and to subsidize the cost. For today's low-income families, the public sector has the major responsibility of providing adequate housing.

PROGRAMS FOR VERY LOW AND LOW INCOME HOUSEHOLDS

Oakland has always encouraged the development of publicly-assisted housing. The amount of subsidized rental housing built in Oakland is summarized in Tables 23 and 24 in this Chapter and Table 32 in Chapter 8.

In addition to new construction, further housing assistance has been provided through federal programs which give rent supplements to landlords so that low-income households can afford to rent existing housing. The current federal programs of this type are Section 8 Existing Housing and the new experimental Housing Vouchers. These programs are discussed in more detail in Chapter 8. Section 8 rental assistance has been relatively successful in Oakland, but there are problems with its use. They include:

1. Federal limits on fair market rents which will be subsidized are often too low. This forces recipients to find housing in the lower-priced

TABLE 23

NEW PUBLICLY-ASSISTED RENTAL HOUSING FOR VERY LOW AND LOW INCOME HOUSEHOLDS BY TYPE AND YEAR BUILT: OAKLAND, 1984

	Elderly	Family	Total
Built before 1960	--	916	916
Constructed Between 1960-70	458	1,972	2,430
Constructed Between 1970-80	1,946	1,608	3,554
Completed Between 1980 to September 1984	1,005	129	1,134
TOTAL*	3,409	4,625	8,034

* The Oakland Housing Authority owns 3,324 of these units. This figure does not include 142 units included in Table 24 which are under construction.

SOURCE: Oakland City Planning Department

TABLE 24

PUBLICLY ASSISTED RENTAL HOUSING BY PROGRAM, BEDROOMS, AND PROJECTS:
OAKLAND, MARCH 1985

PROGRAM AND TYPE	TOTAL UNITS	BEDROOMS 0	1	2	3	4+	TOTAL PROJECTS
OAKLAND HOUSING AUTHORITY							
Conventional							
1. Family	1 322	0	340	555	360	67	7
2. Elderly	100	32	68	0	0	0	1
Turnkey							
3. Family	1 619	0	0	152	1389	78	252
4. Elderly	283	0	261	22	0	0	3
Section 8 - Moderate Rehabilitation							
5. Family	407	0	40	219	100	48	N.A.
6. Elderly	99	98	1	0	0	0	N.A.
Existing Section 8							
7. Family	2 378		N.A.				
8. Elderly	1 694		N.A.				
Total OHA Family	5 726	0	380	926	1 849	193	259
Total OHA Elderly	2 176	130	330	22	0	0	4
TOTAL	7 902	130	710	948	1 849	193	263*
Other Publicly-Assisted							
Section 202							
9. Elderly	403	339	62	2	0	0	2
Section 8/202							
10. Family	22	0	18	4	0	0	2
11. Elderly	250	0	249	1	0	0	2
Section 8 - New Construction							
12. Family	40	0	10	16	12	2	1
13. Elderly	818	5	807	6	0	0	8
Section 8 - Substantial Rehabilitation							
14. Family	89	0	10	39	33	7	1
15. Elderly	315	77	237	1	0	0	1

CONTINUED

TABLE 24 CONTINUED

PROGRAM AND TYPE	TOTAL UNITS	BEDROOMS 0	1	2	3	4+	TOTAL PROJECTS
Section 221d							
16. Family	484	23	94	92	259	16	2
17. Elderly	66	12	54	0	0	0	1
Section 202/236							
18. Elderly	565	450	115	0	0	0	9
Section 236							
19. Family	996	133	312	294	126	131	9
20. Elderly	699	522	175	1	1	0	6
Section 220/8							
21. Family	75	10	25	30	10	0	1
Miscellaneous							
22. Family	22	0	0	14	8	0	
23. Elderly	8	0	8	0	0	0	
Total Other Family	1 728	166	469	489	448	156	17
Total Other Elderly	3 124	1 405	1 707	11	1	0	29
TOTAL	**4 852**	**1 571**	**2 176**	**500**	**449**	**156**	**46**
TOTAL PUBLICLY-ASSISTED							
FAMILY	7 454	166	849	1 415	2 297	349	276
ELDERLY	5 300	1 535	2 037	33	1	0	33
SUBTOTAL	12 754	1 701	2 886	1 448	2 298	349	309*
Less 77 OHA Existing Section 8 Units in Other Assisted Projects	77		N.A.				
TOTAL	**12 677**						

* Excludes Existing Section 8
Source: Oakland City Planning Department

areas of the City thus reinforcing patterns of racial and neighborhood impaction.

2. Low vacancy rates and high market rents discourage landlords from participating in Section 8. The program has worked best where vacancy rates are high enough to give landlords an incentive to go through the bureaucratic process of leasing their units to Section 8 tenants.

3. The cost to the federal government of the Section 8 existing program has been very high, averaging $3,750 per case in 1981 in California according to a recent Rand Report on Housing assistance in the state. Its high cost is the primary reason for the experiments with housing vouchers. It is also the reason that the percentage of income that the tenant must pay for rent has been recently increased from 25 to 30 percent. Oakland was selected to participate in a five-year demonstration program for housing vouchers. They will work somewhat like food stamps in that the family will be free to search anywhere for housing of their choice and can also choose to rent for more than the federal market guidelines by paying the difference themselves. Initially, the program will be targeted to very-low-income families, displaced persons, and persons occupying substandard housing.

PROGRAMS FOR MODERATE-INCOME HOUSEHOLDS

Generally, new construction and rental assistance programs are targeted at the very-low and low-income household. In a high-cost area like the San Francisco Bay Area, moderate-income households with incomes from 80-120 percent of the area's median are also subject to serious housing problems.

Housing assistance for this group has focused on homeownership assistance. There are no rental assistance programs for moderate-income households, though undoubtedly many are forced to overpay to get an adequate unit. Homeownership assistance usually takes the form of interest subsidies. The State has taken the lead in assistance to moderate-income families trying to buy their first home. Examples of programs for the moderate-income group are:

-- Section 235 mortgage interest subsidy (Federal)

-- CHFA Mortgage Revenue Bonds (State)

-- Oakland's Mortgage Revenue Bonds (City)

-- Cal First Home Buyers (Proposition 5) Mortgage Revenue Bonds with an initial buy-down (State)

These programs are explained in more detail in Chapter 8.

Lower-income families who already own their own home are provided housing assistance through the City's housing rehabilitation loan program. The City's below-market-rate interest loans primarily serve homeowners with incomes below 80 percent of the Bay Area's median income. The deferred loan and grant program reaches the low and very-low-income homeowner.

Overconcentration of Publicly-Assisted Housing

Publicly-assisted (or assisted) housing refers to housing for low and moderate-income households produced primarily through Federal programs administered by HUD. The term also includes any low and moderate-income housing which may in the future receive financial assistance from other levels of government such as the State of California, Alameda County, or any other regional or local governmental body. Only rental housing is included in the discussion of overconcentration although there are ownership assistance programs such as Section 235. However, ownership housing usually doesn't impact a neighborhood in the way that rental housing can.

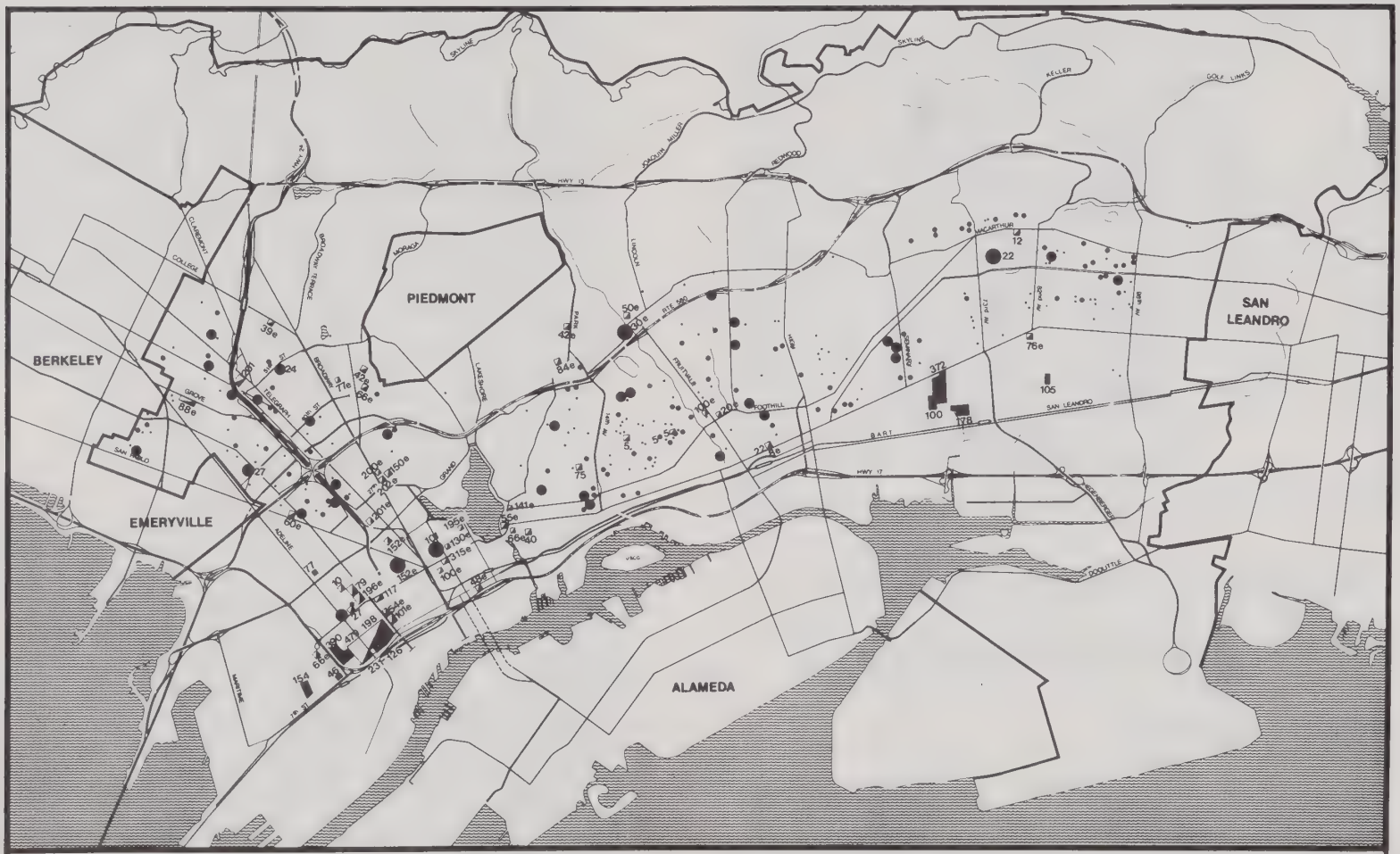
This chapter contains three sections which deal with the problems of over-concentration of assisted housing and of restricted housing choices for low and moderate-income families. The first section presents background information and outlines the extent of the problem. This section also discusses past efforts undertaken to alleviate the situation, including a study by the City Planning Department dealing with the distribution and location of assisted housing. That study is the basis for the remaining two sections which summarize a system of policies and standards concerning the distribution and location of assisted housing and the programs and strategies which are utilized to implement the policies.

Extent of Problem

Until 1966, Oakland's assisted housing consisted of 1,422 units clustered in eight projects--all located in six census tracts. These conventional housing projects, all operated by the Oakland Housing Authority, were, for the most part, in West and East Oakland. Currently, there is a total of over 12,000 assisted rental housing units in the City. Excluding the Existing Section 8 program for rental assistance to renters of privately-owned housing (whose sites change periodically), all assisted rental units are concentrated in 70 tracts (out of a total of 104 census tracts).

Such an overconcentration restricts housing choice for occupants of these units and, thus, impacts neighborhoods where this concentration occurs. Generally, assisted housing units, especially public housing units, have been located in areas where there are existing concentrations of low and moderate-income families and where, following occupancy, large numbers of complaints are heard.

In Oakland, there is evidence of a strong correlation between the overconcentration of assisted housing units and such problems as overcrowded schools, crime, vandalism, dete-



Turnkey Public Housing	Sites	Units
• 0 - 5 units		
• 6 - 10 units		
• 11 - 20 units	255	1,902
• 21 - 50 units		
• 51+ units		
■ Conventional Public Housing	8	1,422
◪ Other Publicly-Assisted Housing	45	4,763
Total	308	8,087
e Elderly Unit		

does not include Oak Center Homes project - - 89 units on scattered sites

PUBLICLY ASSISTED HOUSING IN OAKLAND 1985

(does not include Section 8 existing or Moderate Rehabilitation)

0 4000 ft.

OAKLAND CITY PLANNING DEPARTMENT

riorating physical environment, and lack of neighborhood pride. All of these problems are symptoms of what is known as neighborhood impaction. The increased numbers of units and people in such areas has exacerbated existing problems or created new ones.

This concentration is evident in an examination of Map 1. Assisted units are clustered in long-standing low-income areas. There are relatively few subsidized units above MacArthur Boulevard and around Lake Merritt, both of which are higher-income areas.

Restricted housing choice has traditionally been a problem for low and moderate-income families. The influx of new assisted housing in recent years has, for the most part, not significantly broadened choices in relation to various areas of the City.

PAST EFFORTS

The need for additional low-income housing in Oakland has long been recognized as one of the City's most pressing problems. However, serious concerns were raised regarding the concentration of the Housing Authority's conventional projects. After passage of the referendum for 2,500 additional assisted housing units in 1966, the voters were promised that new housing would be developed on scattered sites.

To ensure that this new housing program promoted the achievement of broad community objectives while achieving its primary goal of increasing the supply of low-cost housing, the Planning Commission and City Council adopted a set of guidelines for site selection and development. These guidelines set forth broad objectives which the program was to achieve as well as specific criteria to be used in evaluating individual proposals for developing the units. As the HUD-financed "turnkey" program evolved in Oakland, however, many of these guidelines and criteria were bypassed. Although developed on individual sites, the projects were still generally within the same areas. This concentrated pattern of development as well as the site designs themselves began to be the source of numerous complaints from neighborhoods--as well as of considerable concern to the City. Supplemental guidelines were adopted in 1970 by the City in an attempt to deal with the emerging problems.

The basic approach of scattered site housing was reconfirmed by the City by the adoption in 1971 of the following policy:

> "Housing constructed with subsidies for low and moderate-income families should be equally distributed throughout the City whenever such new construction is economically feasible, will conform to the City's zoning regulations, and will not overly impact the area's schools."

In spite of this policy commitment, there was still concern on the part of both the City and HUD as to the problems associated with the past programs in Oakland. HUD's increased involvement in new moderate-income housing, primarily the FHA 235 and 236 programs, caused it to become concerned with the location of the projects they were funding. This concern was translated into specific site selection criteria which HUD used to evaluate proposals.

The City Council, too, sought a way to cope more effectively with the location of the remaining turnkey units and all future assisted housing. The Council authorized the Planning Department to undertake a study dealing with the distribution and location of new assisted housing in the City. This study resulted in the report, Oakland Publicly Assisted Housing: Distribution and Location.

The basic task of the study was to create a system of policies, standards, and procedures that had the potential of achieving the following objectives.

1. To provide greater choice of housing by increasing the quantity and quality of the locations and types of housing available to low and moderate-income households, consistent with the preferences of the intended occupants.

2. To discourage the concentration of publicly-assisted housing in a few areas in the City.

3. To direct the development of publicly-assisted housing to areas of the City where public services and facilities are available and to discourage such housing development in areas of the City where public services and facilities are either not available or are used beyond their capacities.

4. To avoid the excessive impact of publicly-assisted housing on any given neighborhood by assuring minimum distance between assisted housing locations and by limiting the size of projects.

5. To ensure that publicly-assisted housing developments will be designed to provide a functional, convenient, and attractive environment for its occupants and to fit harmoniously into its immediate neighborhood.

The policies developed in this study are detailed in the following two sections of this chapter.

City of Okland Policies

The following sets forth groups of policies at three levels: (a) citywide; (b) neighborhood; and (c) project development. The policies are general position statements regarding various aspects of assisted housing. Policy distinctions are also made between housing for families or for the elderly.

OVERALL POLICY

The following policy represents an overview policy expressing the general intent of the more detailed policies that will follow. This policy also substitutes for the related policy previously adopted by the City.

1. Housing constructed with, or otherwise receiving, public assistance should be distributed to provide broader housing choices and to fit harmoniously into its immediate surroundings without impacting the neighborhood, its schools, or other public facilities serving it. (M)

CITYWIDE POLICIES

The following citywide distribution policies present guidelines for determining an assisted housing capacity and priority for each of the City's census tracts. These policies take into account the various types of assisted housing programs discussed previously.

2. To give a greater choice of housing locations for low and moderate-income households and to limit the concentration of publicly-assisted housing in any one area, new assisted units will generally be allowed only in census tracts which have remaining capacity for such housing. (E)

3. The City will use a school capacity rating and a publicly-assisted housing concentration rating to determine where future assisted family housing will be allowed and the relative priorities of areas for receiving such housing. (E)

4. Publicly-assisted elderly housing may be developed throughout the City, limited only by the remaining capacity for additional assisted housing in any particular census tract. However, in census tracts where both publicly-assisted family and elderly housing may be developed, family housing should have priority since site locations available for this kind of household are more limited. (M)

NEIGHBORHOOD LOCATIONAL POLICIES

The neighborhood locational policies are concerned with how assisted housing and its residents can best be assimilated into the neighborhood; in addition, they are intended to assure an adequate level of services and a pleasant and healthy environment for the residents of both the new assisted housing and the surrounding neighborhood. The policies deal separately with housing for the elderly and housing for families except for land use and zoning considerations which are applicable to both.

5. Any addition to the publicly-assisted housing supply should now, and in the future, blend in and be compatible with surrounding development as to use and density. Its conformity or nonconformity to existing zoning regulations, while important to consider, should not necessarily preclude its evaluation. (E)

6. Publicly-assisted housing for the elderly should be within walking distance of a bus stop, a supermarket, a drugstore, and a laundromat unless the service is provided within the project itself. Steep slopes, unusual danger from crime, or isolation from necessary services should be vigorously avoided in locating an elderly housing development. Access to other services such as churches, a bank, a post office, a department store, a barber shop, a beauty parlor, and a social center should also be considered in assessing the location of a proposed project. (M)

7. Residents of publicly-assisted family housing should have convenient access to transportation, shopping, park and recreation areas, child care centers, and elementary schools within the neighborhood. (E)

NEIGHBORHOOD SPACING POLICIES

Spacing policies are designed to disperse family housing units within the neighborhood. There are two levels at which these policies operate. Block spacing policies establish the necessary distances between assisted housing developments within city blocks and blockfaces. Neighborhood spacing guidelines establish the maximum number of units and minimum distances necessary between assisted units within small areas that are quite a bit larger than a block but one in which significant interaction occurs.

8. Assisted family housing projects should be adequately spaced to ensure that the negative consequences of impacting a relatively small area (neighborhood) will not occur. (M)

9. In general, no more than one parcel containing assisted family housing should occur in the same block or in the two block faces having a common street frontage (the area abutting both sides of a street between two intersecting streets). (E)

PROJECT DEVELOPMENT POLICIES

The purpose of the project development policies is to achieve a high quality in the design and appearance of the development so that it will provide maximum satisfaction to its residents and be compatible with the surrounding neighborhood. The guidelines are specifically concerned with project size and site and project design.

10. The size of an assisted housing development should be limited so that it does not adversely affect abutting properties or the immediately surrounding area but yet is of sufficient size to allow feasible development and flexibility in design. New family housing projects to be owned and operated by the Oakland Housing Authority should, however, be limited at any one location to 12 bedrooms in any combination up to six units. (M)

11. The location, design, and site planning of assisted housing development should provide a functional, convenient, and attractive living environment for its occupants. (E)

12. The buildings, grounds, and landscaping of assisted housing should be developed and maintained at a level which would not adversely affect the livability or appropriate development of abutting properties or the immediately surrounding area. (M)

Programs and Strategies

There are several ways in which these policies, in conjunction with their related operating standards (see Appendix A) can be used. First, they can be used by housing developers. Second, they can be used by various agencies such as the Housing Authority, the Planning Commission, and HUD under existing administrative review procedures.

EXISTING PROGRAMS

Federal

Review of Applications for Housing Assistance. Under the Housing and Community Development Act of 1974, the City may object to HUD's approval of any assisted housing application on the grounds that the application is inconsistent with the City's Housing Assistance Plan (HAP) as approved by HUD. The annual HAP lists the number of desired units for elderly and family populations and designates future desirable sites or areas for assisted housing. This review applies to all potential subsidized housing in Oakland.

State

CHFA Local Housing Agent. The State has accepted the publication Oakland Publicly Assisted Housing: Distribution and Location and the policies and standards which are incorporated in this chapter as the state-approved Affirmative Housing Plan. With such a plan, the City filled one of the requirements for designation as a local housing agent by the California Housing Finance Agency (CHFA). In this capacity, the City is authorized to approve or disapprove all applications for CHFA loans for housing

developments to be located in Oakland. The grounds for disapproval, among other things, are nonconformance with the City's Housing Element which contains the City's policies and standards for the distribution of assisted housing.

City

Review and evaluation of Publicly-Assisted Housing Proposals. As part of the Federal and State processes, the City evaluates assisted housing proposals in the following general manner. There are actually two types of decisions that should be made for each proposal:

A. Should the proposal be allowed to enter the "pipeline" for further consideration (either by the City, HUD, or both); or because it violates a basic policy or exceeds the limits imposed by a critical standard, should the proposal be denied or recommended for denial?

An assisted housing proposal would have to meet a number of criteria, as listed below, before receiving tentative approval.

1. Is there a "remaining capacity" in the census tract for the kind and quantity of housing proposed?

2. If the proposal is for family housing, do the school capacity and concentration ratings of the census tract permit any additional family housing?

3. If the proposal is for elderly housing in a census tract that also allows family housing, has the "25 percent of remaining capacity or one project" limit been exceeded?

4. Would the proposal, whether family or elderly, blend in and be compatible with surrounding development as to land use and density, and is it likely to do so in the future?

5. If the proposal is for elderly housing, does it adequately meet neighborhood locational standards concerning safety and topography?

6. If the proposal is for family housing, does it adequately meet neighborhood locational standards concerning transportation, private facilities, and community facilities?

7. If the proposal is for family housing, does it meet block spacing standards?

8. If the proposal is for family housing, does it meet neighborhood spacing standards?

9. If the proposal is for turnkey family housing, is it a townhouse-type development and does it exceed the six unit/12 bedroom limit?

   If the proposal is for any other family housing, does it exceed the 50 unit/100 bedroom limit?

10. According to the preliminary site plan and the preliminary sketch of the building(s), does the proposal adequately meet other project development standards such as design, open space, landscaping, and parking?

For each criterion, whether "yes" or "no" to the question, the reviewing staff would have

to look for extenuating circumstances before deciding that a proposal should be rejected or tentatively approved.

B. If, in the staff's judgment, the proposal should be approved for further consideration, should it be given a high, medium, or low priority rating? i.e., how, even assuming it meets minimum qualifications, does this proposal "stack up," in relative terms, against the City's assisted-housing policies.

   For each tentatively-approved proposal, the staff could first prepare a rating of each of the three different spatial aspects of the proposal: a census tract rating, a neighborhood rating, and a site or project development rating. Based on these three separate ratings, an overall rating could then be made.

Discrimination in Housing

Within the housing field, one of the most sensitive problems to demonstrate, analyze, and correct is discrimination. Discrimination in this context means the denial of complete freedom of choice in the selection of housing due to race, national origin, religion, sex, age, source of income, physical disability, marital status, sexual preference, or presence of children.

This chapter is divided into four general areas. The first section discusses the extent of segregation and racial discrimination in Oakland by using the discrimination of black persons as prototypical. Following this is a discussion of problems and obstacles, and then a review of the City's policies pertaining to housing discrimination. The final section deals with existing and proposed programs and strategies.

Extent of Problem

It would be difficult, if not impossible, to tabulate and verify the existence of all categories of housing discrimination. However, the extent to which discriminatory practices and attitudes due to race are prevalent in Oakland's housing market, while difficult to pinpoint, can be approached. If housing discrimination due to race does exist, it will result in segregated living patterns. Segregation can be easily measured, though the results are still not easy to interpret since other factors, such as family income, can also cause segregation. The following discussion and statistics concern only Oakland's black population; it will however serve both as an example of discrimination against the City's largest nonwhite group and of discrimination in general. Illustrating the extent of housing discrimination by using the black population as an example is not in any way meant to underplay the gravity of discriminatory practices against other groups.

In 1980, slightly more than 46 percent of Oakland's total population was black. If the City were totally integrated, each of the City's census tracts would, theoretically, be approximately 46 percent black. To determine the extent of integration and segregation in the City, the black population of each census tract was analyzed according to the black percentage of total tract population. The results show that only 22 percent of the black population lived in relatively integrated conditions (defined here as between 36 and 56 percent black). Of the remaining 78 percent, 15 percent lived in predominately white tracts, and 63 percent lived in what could be considered as segregated conditions; 12 percent lived in tracts in which the black population represented more than 90 percent of the tract's population. Similar figures for 1970 when the black popu-

lation was approximately 34 percent of the total are: 17 percent in integrated tracts, 9 percent in predominately white tracts, and 72 percent in relatively segregated tracts of which 10 percent lived in almost all-black tracts. Tables 25 and 26 show these distributions in more detail.

This census tract analysis seems to indicate that considerable segregation exists in Oakland even though the situation has improved since 1970. However, a researcher from the University of Wisconsin, in a study included in a report on equal housing,[1] concludes that Oakland is the most integrated city in the country. The survey analyzed cities with black populations greater than 100,000. An index was developed which measured the ratio of the black to nonblack population by City census block. Of the 28 cities in the study, Oakland was found to be least segregated; further, the segregation which exists has declined substantially since 1970.

In an attempt to bridge the gap in population size between the census block and the census tract, an analysis was made of the 1980 Census Neighborhood Statistical Areas. Neighborhood Statistical Areas are locally-defined and traditionally-recognized neighborhoods or subareas. In some instances they are smaller than census tracts and in other instances, larger. There are 111 such defined neighborhoods. The results of this analysis found results similar to the census tract analysis. Only 15 percent of the black population lived in neighborhoods which could be considered integrated. A total of 66 percent lived in neighborhoods which had majorities of black population, and almost 19 percent lived in neighborhoods which were predominantly white.

[1] "A Decent Home", Citizens' Commission on Civil Rights, April 1983.

TABLE 25

BLACK POPULATION* BY CENSUS TRACT
CATEGORIZED ACCORDING TO PROPORTION BLACK:
OAKLAND, 1970

BLACK PERCENTAGE OF TOTAL TRACT POPULATION	CENSUS TRACTS		BLACK POPULATION	
	NUMBER	PERCENT	NUMBER	PERCENT
0-10	27	26.0	4,025	3.3
11-23	13	12.5	6,816	5.6
24-44 (I.T.)**	17	16.3	20,538	16.8
45-55	9	8.7	15,812	12.9
56-90	22	21.2	59,557	48.7
Over 90	5	4.8	12,361	10.1
Not Available	11	10.6	3,192	2.6
TOTAL	104	100.0	122,301	100.0

Total Population: 361,561; Percentage Black: 33.8%

*Excludes Spanish Origin
**Defined as Integrated Census Tracts

SOURCE: 1970 Census of Population and Housing

Segregation, therefore, exists in Oakland; but of more importance are the reasons for the segregation. Generally, racially-based segregated housing patterns result either from voluntary actions or from barriers that deny a group free access to the total housing market because of its race. A third reason for black segregation is that economic segregation (which can operate irrespective of race) particularly affects the black population because it has a much higher rate of poverty and generally lower incomes than the population as a whole. It is not possible, however, to accurately determine the effect of this latter factor.

A major source of information on housing discrimination is Operation Sentinel, estab-

lished by the Stanford Mid-Peninsula Urban Coalition in 1971. This project serves as a centralized center for allegations of housing discrimination for the Bay Area. Operation Sentinel receives complaints and utilizes checkers from the local area to investigate them. Since January 1982, Operation Sentinel has administered more than 180 cases of housing discrimination based on race in Oakland. Over 80 percent of these cases originated from the Adams Point neighborhood. Not all persons, of course, are aware of Operation Sentinel nor are most people inclined to follow-up in the event they have a negative experience in seeking housing. It may well be that the reported cases from Oakland are but a fraction of the actual experience of nonwhite persons in the housing market.

TABLE 26

BLACK POPULATION* BY CENSUS TRACT CATEGORIZED ACCORDING TO PROPORTION BLACK: OAKLAND, 1980

BLACK PERCENTAGE OF TOTAL TRACT POPULATION	CENSUS TRACTS		BLACK POPULATION	
	NUMBER	PERCENT	NUMBER	PERCENT
0-10	16	15.4	3,238	2.1
11-25	16	15.4	10,851	6.9
26-35	7	6.7	9,152	5.8
36-56 (I.T.)**	23	22.1	35,073	22.3
57-90	33	31.7	80,666	51.3
Over 90	9	8.7	18,334	11.6
TOTAL	104	100.0	157,314	100.0

Total population: 339,337; Percentage Black: 46.4

*Excluding Spanish Origin
**Defined as Integrated Tracts

SOURCE: 1980 Census of Population and Housing

The State Department of Fair Housing also handles complaints of discrimination. The Oakland office registered over 60 cases of housing discrimination complaints since June of 1983. The majority of these cases were related to race.

HOUSING DISCRIMINATION AGAINST FAMILIES WITH CHILDREN

As vacancies drop and rents increase, owners of rental property tend to become more discriminating in the selection of tenants and generally prefer older adults to families with children. In a survey conducted by local community fair housing organizations in 1979, it was found that 56 percent of one-or-more-bedroom apartments surveyed in Oakland refused children, and another 16 percent took children with conditions. As a result, the Oakland City Council passed an ordinance in July, 1980 prohibiting discrimination in housing on the basis of pregnancy or tenancy of a minor child.

The California Supreme Court, in two decisions in 1982 and 1983, extended the protections of the Unruh Civil Rights Act to include discrimination against children in rental apartments and condominiums. Senior citizen housing projects are exempted from these rulings. The State Court's position reinforces Oakland's law which covers all housing. The State Department of Fair Employment and Housing was to begin handling complaints as of September 1, 1984, but its staff funding for this function was deleted from the budget by the Legislature, and legal challenges to the Department's authority to act are further delaying the initiation of enforcement activities.

Meanwhile, some communities, including Oakland, have used CDBG funds and other local monies to fund nonprofit organizations providing information, counseling, and legal

assistance to families suffering from housing discrimination. In Oakland's case, the City funds the Housing Rights for Children Project (BANANAS, Inc.). They (and similar groups) report increasing numbers of complaints in the two years since the Court's decisions. For the 12 months from June 1983 to June 1984, they handled 520 complaints of discrimination against children. Female heads of household--especially lower-income, single parents--seem to suffer more frequently from housing discrimination.

Problems and Obstacles

Problems and obstacles related to equal housing opportunity include the housing delivery system and the govenmental-legal system.

HOUSING-DELIVERY SYSTEM

The housing-delivery system is a major problem area affecting discrimination in housing. The "system", as referred to here, includes only the financing, sale, rental, and management of housing. Each of these housing-delivery functions has been used as an obstacle to preserve segregated residential patterns.

The financing of housing is a fundamental aspect of one's ability to fully exercise housing choice. Mortgage-lending institutions play a key role in determining housing choice. Lending institutions have in the past utilized the racial characteristics of a neighborhood as well as the "type" of neighborhood as a factor in evaluating loan applications. In some instances a person applying for a loan has been "prejudged" by the person's race or the type of area in which the person wishes to live rather than by the applicant's behavior or economic condition. Lenders have refused to make loans in certain areas of the community which have been "redlined." These areas usually are considered high-risk areas due to generally large numbers of foreclosures and delinquencies and the loss of property values. Such judgments as to the "loan-ability" of an area generally affect the lower-income population which is predominantly nonwhite. This overall "redlining" practice has made it quite difficult for certain areas of the community to remain stable. A lack of loans for home improvements, new construction, or the purchase of housing have earmarked many areas for decline. These types of loan-evaluation procedures have resulted in many nonwhite persons being excluded from the possibility of obtaining real estate loans. If the more stringent standards applied to nonwhite applications were generally applied, large portions of the white population would not qualify for loans.

The costs associated with loans are also a source of problems. When loans are made to nonwhite applicants or for property located within "questionable" areas, they are sometimes at higher interest rates, shorter amortization periods, with larger down payments, and at a lower percentage of the property's value than would be the case in "stable" (usually white) areas. These factors, in conjunction with sharply increasing closing costs (title searches, recording fees, escrow fees, title insurance), have also made it difficult for a number of nonwhites to even consider home ownership in any nonsubsidized form.

The sale, rental, and management of housing is the remaining portion of the housing-delivery system which needs to be dealt with. Real estate marketing practices which are clearly discriminatory have been outlawed both by Federal and State laws. As a result some of these practices have been terminated while others have been continued but in a more subtle manner. The monopoly on market information held by the real estate industry

is a focal point for the restriction of housing choice. Real estate brokers have the capability of both screening and steering prospective buyers. Nonwhite buyers in many instances have been closely screened as to their financial qualifications prior to being shown homes. Additionally, brokers have the capability of "steering" potential nonwhite buyers into specific areas, which, if successful, does not allow the nonwhite household to express its own preferences.

The access to market information is a powerful tool in exercising one's housing choice. Since the law does not require affirmative marketing of individual home sales or rentals, brokers are under no outright obligation to inform nonwhites of opportunities throughout the community, thus keeping many areas "closed" to these groups. Each local realty board is required by the California Real Estate Association to have an equal rights committee whose function is to discourage such practices. The Oakland Board of Realty has a committee which functions in a regulatory capacity (dealing with complaints) and also in an educational capacity by informing its members of existing laws and the obligations of the industry.

Housing choice seems to be most restrictive by far in the rental market. The general shortage of lower to middle-income rental units often allows housing discrimination to operate under the guise of high demand. A report published more than a decade ago still rings true:

"Where housing is as tight as it is in the Bay Area, discrimination becomes very difficult to prove and easy to practice. If a minority prospect can be held off for as little as four hours, it is usually possible to get a bona fide white tenant signed up in that time."[2]

[2] Denton, John, Phase I Report to the NCDH/HUD Demonstration Project, San Francisco, 1970-71, pages 40, 41 of preface.

In general, apartment managers are responsible for tenant recruitment and selection. These persons are sometimes relatively untrained in management techniques, unsophisticated about fair housing law, and strongly resistant to open occupancy. The practices of asking higher rents and deposits, requiring credit checks, asking for leases and references, using phone evasions, procrastinating, and making erroneous statements as to the availability date of the unit have been utilized to exclude nonwhites from rental units. In addition, the advertising techniques sometimes utilized in the rental market also further these discriminatory practices. Limited advertisements in selected newspapers, use of on-site rental signs, and tenant referrals are tenant recruitment methods which tend to maintain the status quo of the surrounding neighborhood population. The combination of screening techniques, tenant recruitment and selection practices, and insufficient market information all restrain the rental options for nonwhites. And since the management of rental units is an unregulated activity, there is no way to directly control those discriminatory actions that may be practiced by some of its members.

GOVERNMENTAL-LEGAL SYSTEM

The right to equal housing opportunities for all citizens was established in Federal law by Title VIII of the Civil Rights Act of 1968. In California, the Rumford Fair Housing Act deals with housing discrimination at the State level. In spite of the illegality of discriminatory housing practices, the problem persists. One of the major obstacles to the pursuit of equal housing opportunity has been the lack of commitment on the part of responsible governmental agencies.

HUD's function under Title VIII is to receive, investigate, and conciliate complaints

of housing discrimination. However, HUD has no authority to order remedies for persons suffering from an illegal discriminatory action. HUD's fair housing office has always been hampered by limited funding and staffing. Their investigatory procedures are time-consuming and have yielded limited results for the persons filing complaints. An additional problem impeding federal actions to implement Title VIII has been the lack of comprehensive administrative regulations to interpret and direct enforcement. Limited regulations were first adopted in 1972. The Carter administration proposed more detailed regulations in 1979, but these were withdrawn by the Reagan administration in 1981.

Individual citizens were given the right of private action in the courts to sue for damages suffered as victims of illegal housing discrimination by Title VIII. However, the prospect of going through a lengthy and costly court action discourages many people from pursuing their rights. In the Bay Area, the local Legal Aid Societies and nonprofit fair housing organizations, such as Operation Sentinel, provide assistance to persons with complaints of housing discrimination in the form of investigative help and referrals to lawyers interested in discrimination cases. This is usually more productive than a complaint to HUD provided that the unit remains on the market long enough for an investigation to be carried out that will prove discrimination occurred.

Enforcement of the federal fair housing law on a national scale is primarily the responsibility of the Justice Department. The burden rests with them to develop investigations and cases that will have the greatest impact on eliminating housing discrimination. From 1968 to 1980, the Justice Department had some success winning cases involving both overt discriminatory practices and more subtle actions which produced the same effect. These legal actions broadened the application of Title VIII to include suits against local governments that used zoning as an exclusionary tool to produce de facto segregation. The Justice Department has always been hampered by limited staffing for fair housing enforcement. Under the Reagan administration, there has been a dramatic drop in the number of discrimination cases filed. From 1968 to 1980, 20 to 32 cases were filed each year; in 1981 and 1982 only three cases were filed. The Department has also moved away from cases with broad impact--such as those dealing with land use practices or the relationship of housing segregation to school segregation--to those where specific examples of intentional discrimination can be proved.

In its April, 1983 report, the Citizen's Commission on Civil Rights concluded (on page 48) that after over a decade of experience under the fair housing law: "(1) those responsible for administering the law had not fully utilized their authority to eliminate discrimination, and (2) the law itself had serious deficiencies that needed correction through legislative amendment."

At the State level, the administration of fair housing legislation can also be characterized as one of general laxity. The Fair Employment Practices Commission (FEPC) has a dual role. On the one hand, it is charged with the investigation of discrimination in employment practices and, on the other, with the investigation of housing complaints. First priority has been given to employment complaints. The volume of complaints in this area has increased to such an extent that the investigation of housing complaints is becoming difficult. The FEPC estimates that only about eight housing complaints are docketed each month in the San Francisco office. If a case survives the investigatory proceedings, which can extend over a period of months, it must then appear before the seven-man, governor-appointed Commission which ultimately resolves disputes. The settlements to date

have not really dealt with the overall pattern of discrimination nor have they been strong enough to deter further discriminatory practices. Clearly, if the agencies which are charged with the administration of existing laws do not exercise their powers fully, it is highly unlikely that the private sector or the populace in general will follow fair housing laws.

The pre-emption aspect of the State Act, as previously discussed, has also presented a problem to municipalities since there has been no clear legal opinion as to its intent toward municipal involvement in this problem. Most interpretations thus far have been that municipalities cannot enact programs that deal with discrimination because of this pre-emption clause.

The State's role in promoting the concept of equal housing opportunity has been minimal. One area in which the State can take positive action is enforcement of the current law. To date the State's enforcement procedures have not had either the financial or political support necessary to adequately accomplish its intended mission.

At both the Federal and State level, there are numerous regulatory, administrative, and persuasive techniques which could be used to promote equal housing. The basic catalyst necessary for these techniques to be put into use and to be effective is a definite public commitment to the concept that all citizens of the nation have the right to freedom of housing choice. Legislation now declares discrimination illegal; however, a vigorous campaign of enforcement which would indicate that a total commitment to equal housing opportunity is an established national or state goal has not been undertaken.

City of Oakland Policies

Attainment of the City's basic housing goal and the successful implementation of its related programs will depend significantly on the City's ability to remove artificial barriers preventing any family from having access to any part of the housing supply, within or outside the City. The legal control of discriminatory practices is not now within the purview of the City. The City has however, through the adoption of the following policies, established a positive official position which will be conducive to the alleviation of the problem.

1. All housing in the City should be available equally to all persons without restrictions based on race, color, ethnicity, religion, sex, age, source of income, physical disability, national origin, marital status, or sexual preference. (M)

2. The City will take all necessary and appropriate steps to achieve a completely open housing market; the City calls upon all citizens and upon private industry to build, finance, sell, and rent properties without regard to race, color, ethnicity, religion, sex, age, source of income, physical disability, national origin, marital status, or sexual preference. (M)

3. The City calls upon regional governmental agencies and East Bay county and local governments to develop and implement a regional "fair housing" program. (E)

4. The City supports State and Federal fair housing legislation and urges more intensive efforts on their part to enforce conformance to established laws. The City also supports private local fair housing organizations that receive and investigate discrimination complaints. (M)

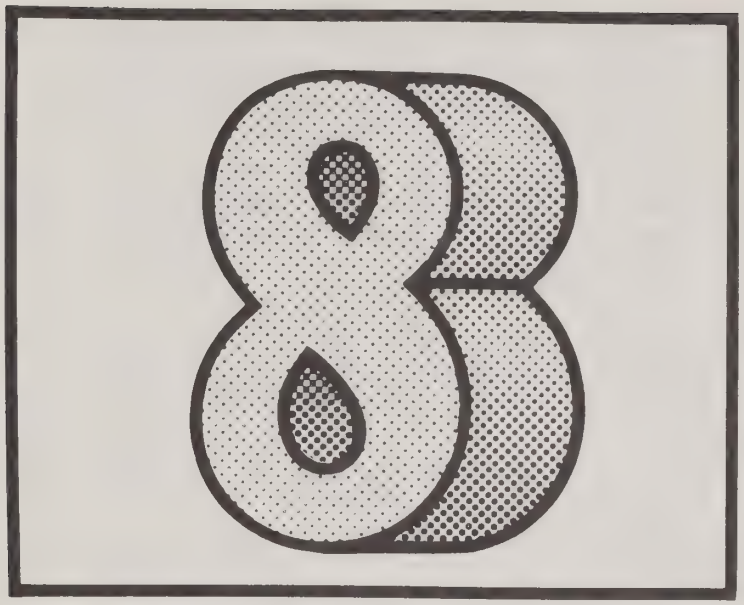
5. Whenever feasible, the City of Oakland, through its regulatory powers, will require that potential residential developers and sponsors prepare affirmative action marketing and management programs to implement federal, state, and local policy regarding open housing. (E)

6. The City supports State and local law prohibiting housing discrimination against households with children and will provide support for the enforcement of these laws. (N)

7. The City supports programs for the removal of architectural barriers in order to make more housing suitable for the disabled. (N)

PROGRAMS AND STRATEGIES

Equal housing availability and choice is basically a metropolitan issue. Efforts dealing with housing production, the proper distribution of housing between City and suburb, and open occupancy enforcement must be approached at all governmental levels if such efforts are to be successful. The City of Oakland cannot be expected to fully cope with housing discrimination, even in its own jurisdiction, without aggressive action on the part of the state and federal government. Programs for combating housing discrimination are described in detail in Chapter 8.



Oakland's Future Housing Needs

The Housing Element attempts to present a broad incremental outline of the housing situation in Oakland. Preceding chapters have concentrated on existing problems, such as substandard housing or overcrowding, and have followed a standard format: a description of problems and obstacles, city policies designed to address the problems, and existing and proposed programs designed to implement the policies.

This chapter will examine more concretely Oakland's future housing needs and assess the market and governmental constraints which prevent those needs from being met. The chapter will, accordingly, be divided into the following sections.

- Demographic and Economic Trends - A discussion of prospective population shifts, changes in household characteristics, and future economic development with reference to their effect on the demand for housing.

- Oakland and Regional Housing Needs - A discussion of ABAG's housing needs determination for the nine-county region and Oakland's use of the figures to determine the City's housing needs for the next five years.

- Special Housing Needs - A summary of the present and future housing needs of the elderly, the handicapped, large families, families with female heads of household, farmworkers, and military personnel.

- Housing Constraints - An analysis of those market and governmental factors which limit the production of affordable housing in Oakland.

- Goals, Policies, and Programs - The setting forth of: (1) City housing policies, priorities, and quantified objectives; (2) present and future programs and implementation vehicles, including responsible departments and agencies; and (3) a five-year housing action plan designed to meet identified city needs.

Demographic and Market Trends

The most detailed interactive analysis of how regional forces are likely to affect Oakland is ABAG's "Projections 83". This report, covering the period from 1980 to the year 2000, gives five-year projections of total population, occupied housing units (or households), employed residents, and employment

(by economic segment) for each city and county in the nine-county ABAG jurisdiction. For Oakland, the report projects total population dropping from 339,337 in 1980 to 332,000 in 2000; occupied housing units increasing from 141,657 to 151,260; employed residents increasing from 144,535 to 162,478; and employment in Oakland increasing from 178,522 to 216,900. Table 27, which contains these changes, shows that total population is projected to decline by 2.16 percent over the 20-year period while the number of households, employed residents, and people working in Oakland will increase by 6.78, 12.41, and 21.50 percent respectively. The ABAG figures also reveal certain relationships concerning these demographic and economic factors. For Oakland over this 20-year period:

1. The average number of people living in each household will decline from 2.34 to 2.13;

2. The average number of employed residents in each household will increase from 1.02 to 1.07;

3. The percentage of the population that is employed will increase from 42.59 to 48.94;

4. Four times more jobs than households will be added within the City; and

5. For each new employed resident, 2.14 new jobs will be created.

This latter factor will have implications on the in- and out-commute pattern for Oakland which, in 1980, according to the journey-to-work data developed by the Metropolitan Transportation Commission was: 46.73 percent of the people working in SD 18 (a "superdistrict" roughly corresponding to Oakland) lived in SD 18; 58.78 percent of workers living in SD 18 worked in SD 18. This meant that almost 110,000 workers were commuting into the Oakland area each day while more than 67,000 Oaklanders were commuting out.

Table 27 also shows projected changes for the 1985-to-1990 period when population will likely increase by 0.29 percent, households by 1.57 percent, employed residents by 2.75 percent, and Oakland employment by 4.88 percent. "Projections 83" figures also indicate that in Oakland over the next five years:

TABLE 27

SELECTED STATISTICS FROM "PROJECTIONS 83": OAKLAND, 1980 TO 2000 AND 1985 TO 1990

	Change From 1980 to 2000		Change From 1985 to 1990	
	NUMBER	PERCENT	NUMBER	PERCENT
TOTAL POPULATION	-7,337	-2.16	1,000	0.29
Total Households (Occupied Housing Units)	9,603	6.78	2,280	1.57
Employed Residents	17,943	12.41	4,110	2.75
Employment in Oakland	38,378	21.50	9,000	4.88

SOURCE: ABAG, "Projections 83"

1. The average number of people living in each household will remain at 2.34;

2. The average number of employed persons in each household will increase only slightly from 1.03 to 1.04;

3. The percentage of the population employed will only increase from 42.83 to 43.98;

4. Almost four times more jobs than households will be added within the City; and

5. For each new employed resident, 2.19 jobs will be created.

The 9,000 increase in jobs over the 1985-90 period appears realistic when viewed in relation to the amount of new office space to become available during this period.

The effect of this new office construction on the demand for housing in Oakland is limited by the nature of most of those office functions likely to locate in Oakland. High rents for new commercial office space in San Francisco will force many firms to locate more labor intensive, often clerical, white-collar functions in available space elsewhere in the Bay Area. Oakland is in a position to capture a share of this spill-over effect. As Oakland already has an underutilized supply of labor with skill levels consistent with many of these functions, the demand for new units to house such service workers might be relatively slight, but many other factors will undoubtedbly come into play. It is not possible to fully assess the demand for new housing generated by expected job growth in Oakland--or, for that matter, elsewhere in the region--but an imbalance between anticipated job creation and residential development might possibly exist.

Oakland and Regional Housing Needs

Oakland's housing policies, like those of all localities, have regional as well as local implications. A growing awareness that the policies of many localities were artificially restricting residential development and creating an overconcentration of poor people in certain communities led to State legislation designed to guide and, if necessary, direct local land use decisions. In 1980, the State passed a law requiring every community to have a Housing Element.

The law contains specific guidelines on the content of Housing Elements. It also requires Housing Elements to include a five-year schedule of actions that the local government intends to undertake in an attempt to meet the need for new housing identified by the regional planning agency (in this case ABAG). Where a locality can demonstrate that identified needs exceed available resources, it must establish goals representing "...the maximum number of units that can be constructed, rehabilitated, and conserved over a five-year time frame."

ABAG has prepared a Housing Needs Determination (HND) report for each city and county in the nine-county ABAG area. The HND report provides a projected 1980-1990 housing need figure and a distribution of this need by four household-income categories. The categories, all adjusted for household size, are: very low (50 percent or less of median income), low (51-80 percent of median incomes), and above moderate income (121 percent or more of median income).

Since the HND report provides a 1980-1990 needs figure while the State requires a 1985-1990 determination, it was necessary to make certain adjustments. The 1985-1990 housing needs figure was determined by subtracting Oakland's housing production figures for 1980 through 1984 (see tables 32 and 33 and the accompanying discussion contained in the section entitled "Past Performance Levels") from ABAG'S 1980-1990 figures. These calculations are shown in Table 28.

Special Housing Needs

A comprehensive housing strategy should take into account the needs of households with special characteristics whose needs might otherwise be unmet in the marketplace. State

TABLE 28

ESTIMATED NEED FOR ADDITIONAL HOUSING UNITS BY HOUSEHOLD INCOME: OAKLAND, 1985-1990

	1980-90 [1]	1980-85 [2]	1985-90
TOTAL NET INCREASE IN HOUSING UNITS	7,290	2,405	4,885
Very Low Income (50 percent or less of Median Income)	2,187	1,264	1,162
Low Income (51 to 80 percent)	1,239		
Moderate Income (81 to 120 percent)	1,458	122	1,336
Above Moderate Income (121 percent or more)	2,406	1,019	1,387

[1]Housing Needs Determinations. San Francisco Bay Region, Association of Bay Area Governments, July, 1983.

[2]See Table 32 and 33.

law requires that the needs of the elderly, the handicapped, very large families, families with female heads of house hold, and farmworkers be addressed in the Housing Element. This section discusses the special problems that these groups, and others, encounter in securing adequate housing in Oakland.

THE ELDERLY

Elderly citizens often face a lack of housing in the market suitable for their particular needs. Older citizens often require more compact and efficient units than are generally available. Moreover, many elderly citizens must rely on public transportation systems if their units are not readily within walking distance of local services. Residences which maximize personal security are not only desirable, but an essential component of adequate housing for them.

The 1980 Census indicated that the number of Oakland elderly residents aged 65 or over totals 44,795, 13.2 percent of the population, the same percent as in 1970. The nonwhite elderly population increased by more than 114 percent between 1960 and 1970, and between 1970 and 1980, the black elderly population increased by more than 66 percent. The total nonwhite elderly population in 1980 was 16,387 of which the majority (72 percent) was black.

The elderly population in Oakland generally has less income (and, thus, less ability to pay for its housing needs) than the population as a whole. The 1979 median income for all owner-occupied housing units was $21,320. But the median income for married-couple families 65 years and older was only $16,033; for 65 year-and-older male householders with no wife present, it was $10,192; and for 65 year-and-older female householders with no husband present, it was a very low $7,210. Corresponding median income figures for elderly rental-occupied housing units (all rental-occupied housing units had a median income of $9,730) were: married-couple--$10,467; male householder--$5,343; and female householder--$4,826. Almost thirteen percent of the elderly householders are below the poverty level.

Oakland has, as a result, assigned a high priority to the development of subsidized elderly housing projects. As of September 1984, the City, through a variety of federal subsidy mechanisms, was assisting 5,203 elderly households. A total of 1,005 subsidized units for the elderly have been constructed since 1980. In recognition of the large number of elderly households whose

needs still remain unmet, Oakland established a goal in its 1982-85 Housing Assistance Plan that elderly and handicapped households would receive 34 percent of the City's federal allocation of Section 8 renter assistance.

THE HANDICAPPED

Approximately 31,388 (one out of ten) Oakland residents aged 16-64 are currently limited in the performance of major life activities by enduring physical or mental disabilities, according to the State Department of Rehabilitation's California Disability Survey.

Over 40 percent of Oakland's disabled are estimated to be minorities: approximately 20 percent are Hispanic, eight percent are black, five percent are Asian, and seven percent are other minorities. Most disabled persons (64.1 percent) live in households with two to four members, and 22.5 percent live in large family households with five or more persons; of these family households, a high percentage (26.7 percent) are female-headed households. The remaining disabled persons (13.5 percent) live alone. The majority of the disabled live in low or moderate-income households.

A large percentage of disabled persons have special architectural needs. An estimated 40 percent of California's disabled population have mobility limitations in using stairs and inclines and in walking. This percentage, if applied to Oakland would mean that 12,555 residents have problems gaining entry to buildings (and therefore services and resources in these structures) that are not constructed in a manner that make them easily accessible to the disabled. Oakland, like most cities, has a shortage of residential buildings with exterior accessibility and modified living quarters for handicapped, mobility-limited persons.

There are two programs to alleviate the housing crisis for Oakland's disabled: the Tenant Access Program (TAP) and the Accessible Ground-Level Apartment Program. TAP was initiated and is operated jointly by Access California (City of Oakland Social Services) and the Office of Community Development; the second is operated by Central Realty. These programs are designed to increase the accessibility of residential property to disabled tenants by retrofitting existing structures and by converting ground level garages and other storage areas into additional one and two-bedroom apartments.

LARGE FAMILIES

Oakland has focused much attention on the difficult task of providing adequate housing for the large-sized families that live in the City. According to the 1980 Census, Oakland had a total of 5,830 renter and 7,625 owner households with five or more persons. Of these 13,455 large families, 2,914--or 21.65 percent--had 1979 incomes below the poverty level. Oakland's 1982-85 HAP identifies 1,949 large families as needing rental assistance subsidies. Eighty-six percent of these are very low income, and 52 percent are minorities.

Large families face a particularly difficult time securing adequate housing. Most large families in Oakland are ethnic minorities (82 percent in 1980) and are often of low or moderate income. Such families, therefore, often confront both racial bias and landlord discrimination against children. In addition, an inadequate number of multi-family rental units with three or more bedrooms are available in the market place.

The City has had difficulties meeting its goals for providing housing assistance to large families. Since 1976, there have been

only 54 subsidized rental units developed for large families. It has also proven difficult to utilize the Housing Authority's allocation of Existing Section 8 and Moderate Rehabilitation Section 8 contract authority targeted for large families due to the insufficient allowable rent levels that are built into these programs.

In recognition of the unavoidable problems large families face in the rental market, Oakland is seeking solutions that would allow such families to become homeowners. HCD's California Homeownership Assistance Program (CHAP) is being used in Oakland to develop manufactured housing for large families with low and moderate incomes. The City provided tax-exempt bond-financed mortgage funds at a 10.5 percent interest rate for combination with State HCD-provided equity to enable 12 low and moderate-income families to achieve homeownership. Additional units will be developed with the availability of State funding.

FAMILIES WITH A FEMALE HEAD-OF-HOUSEHOLD

As of 1980, according to the Census, Oakland had a total of 22,938 two-or-more person households headed by women. Most families with female heads have lower incomes and may be rejected as potential tenants due to landlord fear of property damage caused by unsupervised children. There are 7,615 female heads of households with their children living with them whose incomes in 1979 were below the poverty line. Such families therefore suffer many of the same problems in securing adequate housing as large families. While Oakland does not have any housing programs that are specifically directed toward meeting the needs of low-income female-headed households, many receive assistance through the Section 8 Existing Housing Program.

FARMWORKERS

Few migratory farmworkers are housed, even seasonally, within Oakland. Oakland is too far from significant agricultural areas to serve as a residential base for such workers who, by the nature of their employment, tend to live within close proximity to their jobs.

MILITARY PERSONNEL EMPLOYED IN THE OAKLAND AREA

In March, 1984, a report entitled "Special Study on Family Housing Needs in the San Francisco Bay Area" was completed by the Urban Housing Institute under contract with ABAG and the Department of the Navy. The study reviews current military housing policy, current and projected needs, legislative restrictions, and funding sources for housing subsidies.

The study concludes that military personnel, especially those in the lower-pay grades, face serious housing problems in the Bay Area. There are currently 3,446 military-owned housing units in the Bay Area, providing about 50 percent of the total military housing needed. There is a waiting list of almost 1,000 families for these units. The Navy (the area's principal military employer) is planning to double the number of ships home-ported here; this will double the shortage of military housing from 2,500 to 5,000 by 1987. Most military personnel must find their housing off-base in the private market. The lowest pay grades (E 1-3) are not eligible for on-base housing at all. They earn $10,836-$13,582 per year, including their housing allowances, and their households qualify as very low to low income, depending on family size. These families generally rent in the lower-rent neighborhoods of either Oakland or other communities with long commute distances.

A technical advisory group of housing professionals was formed to implement the study's recommendations which include:

1. Developing housing on military-owned land; a six-acre site at Oak Knoll Naval Hospital in Oakland is under consideration.

2. Contracting with local Housing Authorities to set up a fund for minor rehabilitation of vacant, Authority-owned units which will then be rented to lower-paid military families. This program is being implemented by the Oakland Housing Authority.

3. Using the Military Construction Authorization Act of 1984 (Milcon) to contract with private developers to build 300 units of rental housing for military occupancy.

HOUSING ASSISTANCE PLAN (HAP)

The HAP is required by the federal government as part of the City's Community Development Block Grant (CDBG) application. It is also considered an official part of this Housing Element. It contains a summary of housing conditions, needs of lower-income households (see Table 29), and goals over a three-year period for housing units and households that will receive assistance. The federal government uses the City's HAP as the basis for decisions allocating federal housing subsidies such as Section 8 existing rental assistance contracts and Section 202 new construction for the elderly. Federal subsidies are also allocated between elderly, small family, and large family housing based on the proportionality of need as shown in the HAP.

TABLE 29

RENTAL SUBSIDY NEEDS OF LOWER-INCOME HOUSEHOLDS: OAKLAND, OCTOBER 1, 1982 TO AUGUST 30, 1985

	Elderly	Small Family (4 or less)	Large Family (5 or more)	TOTAL
Very Low Income	8,043	13,964	1,677	23,684
Lower Income	2,702	4,929	290	7,921
TOTAL HOUSE-HOLDS	10,745	18,893	1,967	31,605

SOURCE: Oakland's Housing Assistant Plan (HAP) as approved by HUD on May 27, 1983

Housing Constraints

The ability of Oakland to meet the need for new units is increasingly restricted by market forces, neighborhood resistance, and governmental decisions outside of the City's control. This section analyzes these factors and their effect on the production of market and below-market-rate housing.

MARKET CONSTRAINTS

Primary factors include: (1) construction and financing costs, (2) the price and availability of developable land, and (3) the level of effective demand and ability to pay for rental and ownership units. Discussion of cost and land availability considerations will precede an analysis of the adequacy of Oakland household incomes to generate an effective demand for new housing.

Construction Costs

Nationwide comparisons performed by Building Standards Monthly rank the San Francisco Bay Area third only to Alaska and Hawaii in cost of construction.[1] The cost of constructing wood-framed housing in the Bay Area rose by 169 percent between 1975 and 1980 with lumber, concrete, and labor constituting the most rapidly rising components.[2] Between 1980 and 1984, construction costs had moderated substantially with single-family wood-framed houses increasing an average of 49 percent.[3] This increase was higher than the rise in the Consumer Price Index over the same time period. By early 1985, the rate of single-family homes ranged from $42 per square foot for "average" construction to $58 per square foot for "good" construction. Total construction costs, therefore, ranged between $42,000 for a modest 1,000 square foot home to as high as $58,000 for a larger luxury model, exclusive of land costs. The median cost to construct individual apartments and condominiums in one to three-story wood-frame structures was $35,900 in 1985.[4]

Construction cost increases for steel and concrete multi-family buildings were not quite as high as those for single-family dwellings. Costs ranged from approximately $51-$56 per square foot in 1980 to $72-$77 per square foot in 1984. Per-unit costs for 1,000-square-foot units, therefore, averaged about $74,000 in 1984; this generally precluded all but luxury units from being developed in high-rise structures.

Financing Costs

High interest rates in the early 1980's have played a critical role in making housing unaffordable to many households. Financing terms have not only made homeownership impossible for all but a small percentage of prospective first-time buyers, but they have served to drastically curtail the development of alternative rental housing. Moreover, high land and construction financing costs have made the housing development business inherently more risky. Developers, in turn, need to realize higher financial returns to justify associated risks. Higher required profits push up eventual prices in the same manner as do higher costs.

The effect of the rising cost of financing on affordability is clearly demonstrated below by showing how monthly mortgage debt service payments on a 30-year $88,000 loan (on a house priced at $110,000 with 20 percent down) increases with higher interest rates.

Interest Rate	Income Required	Monthly Payment (Principal + Interest)
10%	$39,000	$ 772
11	42,300	838
12	45,000	905
12.5	46,000	939
13	47,800	973
14	50,000	1,043
15	53,300	1,113
16	56,100	1,183
17	59,000	1,255

Source: S.F. Chronicle, July, 1983

[1]Building Standards Monthly, January-February, 1985

[2]F.W. Dodge Construction Cost Estimator and Valuation Guide, 1981

[3]Ibid., Building Standards Monthly

[4]Means Building Construction Cost Data, 1985

The current median family income in Oakland is estimated to be $27,200.[5] This is far less than the $50,000 required to finance the purchase of a modestly priced used home at the current fixed interest rates of about 14 percent. Only 16 percent of Oakland's families could afford to buy a home in this price range at today's interest rate. Even if a family has the $22,000 down payment and can afford the monthly loan payments of $1,043 on this hypothetical $110,000 house, it is still difficult to locate a home for that price. While Oakland is the most affordable community in Alameda County, homes under $110,000 are often old, run-down, or poorly located. The average selling price of an existing single family home as of July, 1984 was $156,164.

Housing sales have been supported, during the last four years, by buyers using Adjustable Rate Mortgages (ARM). These loans have allowed many buyers to qualify for mortgages during this period of high fixed-interest rates. Over 50 percent of newly-issued mortgage loans is now an ARM. Since the average initial rate of an ARM is about two percent below the interest rate of the average fixed-rate mortgage, many more buyers can qualify for the ARM loan.[6] Under ARM financing, the buyer assumes some of the risk of rising interest rates. Generally, his risk is limited by annual and lifetime interest rate caps. However, there are problems with ARM financing. One is the confusing array of loans with varying initial rates, caps, frequency of adjustment, and different indexes. Even a very knowledgeable buyer has trouble making a comparison between the available loan packages, and many buyers don't understand how much and when their loan payments can increase. Another problem with an ARM is that the buyer's income may not increase as fast as the loan payments in a period of rapidly increasing interest rates. It has become popular for new home developers to "buy-down" the interest rate of the first three to five years of the loan. There is concern that these deeply-discounted home mortgages may result in a high rate of foreclosure should the buyers be unable to handle the drastically higher payments several years into the loan. The worst of these loans include a negative amortization feature in the early years of the loan which results in the buyer's equity actually declining.

Despite these drawbacks, ARM seem to be steadily gaining acceptance and should continue to do so unless fixed rates for 30-year loans drop to 12 percent of less. The secondary mortgage market organizations (such as Fannie Mae, FHA, and the mortgage insurance industry) are all trying to encourage standardization of the ARM loans. However, even ARM loans still do not help the moderate-income homebuyer who has been priced out of the traditional home financing market. Publicly-subsidized home mortgage loans are the only financing opportunity for the moderate-income homebuyer.

Mortgage funds for new market-rate apartment construction have also become increasingly scarce. This is, in part, because rent levels have failed to keep pace with total project development and operating costs and, in part, because of the increasing politicization of rental housing issues. Potential lenders are no longer confident that project owners will retain control over the future operation and disposition of new development and are therefore reluctant to enter the

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[5] Assumes Oakland's median income for a family of four is 85 percent (Oakland's percent of Bay Area median income in 1979) of the Bay Area median income of $32,000 for a family of four (HUD. May 1984).

[6] San Francisco Chronicle, June 24, 1984

market. Prevailing terms for the most attractive proposals often entail lender "participation" in which 25 percent of all future rent increases accrue to the lender in exchange for a marginally-discounted interest rate. Aggressive lending policies of this type make it extremely difficult for investors to realize required yields and serve to restrict the rate of new development.

Many Oakland neighborhoods are denied access to credit under any financing terms by all but a few lenders. This is a particular problem for Oakland property owners who must periodically renovate their holdings if they are to maintain the value and livability of their investment. Despite the efforts of the City of Oakland to make a wide variety of rehabilitation programs available, an overwhelming need remains for ready access to funding from conventional lending institutions. While federal laws, such as the Home Mortgage Disclosure Act and the Community Reinvestment Act of 1977, allow public access to information on certain aspects of the past and present lending practices of financial institutions, the actual allocation of credit has not been legislated. Inadequate access to credit is, unfortunately, likely to plague many Oakland neighborhoods for years to come.

Supply of Land in Oakland

Oakland is a built-up central city. Most of Oakland's future housing development, especially multi-family projects, will occur on land that already has buildings. But there is some vacant land in Oakland as the information in this section demonstrates.

The first source of vacant land information is a map of vacant parcels of land over 30,000 square feet that was developed in conjunction with the City's Land Use Element. Acreage, zoning, housing unit potential, and infrastructure information for this land has been determined. Table 30 summarizes this information for residentially-zoned vacant parcels. (See "Oakland Zoning Summary," Appendix C, for an overview of each residen-

TABLE 30

INVENTORY OF LARGE RESIDENTIALLY-ZONED VACANT PARCELS IN OAKLAND

EXISTING ZONING	WITH SEWER AND WATER		MISSING SEWER OR WATER		MISSING BOTH SEWER AND WATER		TOTAL	
	ACRES	UNITS	ACRES	UNITS	ACRES	UNITS	ACRES	UNITS
Suburban (R-10 or R-20)	201.5	372	152.2	333	67.0	261	420.7	966
Low-Density (R-30)	507.0	1,911	541.3	1,445	11.0	32	1059.3	3,388
Multi-Family Medium-High Density Residential Zones	32.5	307	-	-	-	-	32.5	307
TOTAL	741.0	2,590	693.5	1,778	78.0	293	1512.5	4,661

SOURCE: Oakland City Planning Department

tial zone including permitted density.) In viewing the table, it should be remembered that multi-family development is possible within planned unit developments in the R-30 single-family zone.

Another source of data is a list compiled by the City's Office of Community Development; it contains about 29 undeveloped or underdeveloped sites having a potential for multi-family development. Subtracting two parcels which are included on the vacant land table resulted in a total land area of 18.04 acres. The maximum number of units that could be built on these parcels with present zoning is 1,242 units. All but four of these sites are zoned for higher-density residential development; they are all, however, suitable for assisted rental elderly or family housing under the City's assisted housing policies. OCD continually updates this list and makes it available to housing developers.

Land With Potential For Housing In The Central District: There is a significant potential for multi-family residential development in the City's downtown, especially in its redevelopment project areas. The City Council has approved a concept plan for the Chinatown Redevelopment Project which contains from 250-500 housing units of which 20 percent must be for lower-income households. The Council has also required that 600 housing units be built within the City Center Redevelopment Project. Twenty percent of the housing is to be affordable by low and moderate-income households. The City has also set aside $3 million of tax increment funds to help build 300 units of lower-income replacement housing outside of the City Center Project. Assisted housing has also been constructed on sites provided by the City in the nearby Peralta project areas.

The Central District Housing Program, a consultant study sponsored by the Office of Community Development, is currently underway. One of its tasks is to locate and evaluate housing sites in the Central District. A housing market analysis is also being done to determine the appropriate types, sizes, and price levels for downtown housing. Strategies for developing lower income housing at each site will be proposed. The Central District Development Program (CDDP), a consultant study also currently underway, will include an overall strategy for developing housing in the Central District.

Other Publicly-Owned Land With a Potential For Housing: OCD's list of potential housing sites includes two important vacant parcels owned by the City--the King Estate and the Grove Street Campus. Several City departments are currently involved in studies of these sites. The King Estate, originally acquired for park and open space purposes, has 18 acres of land. It adjoins 58 acres of vacant land owned by the Trust for Public Lands (TPL). The City is working closely with TPL to determine the best uses for the whole site. Steep slopes, soil instability, and difficult access are the major development constraints which influence the quantity and placement of housing as well as recreation and open space uses on the site. The site represents a unique opportunity for a sizeable market-rate and moderate-income ownership development of 200 to 450 units.

The Grove Street Campus was purchased from the junior college district by the City with CDBG funds. The North Oakland community has taken a leadership role in planning for the re-use of the facility which contains 8.8 acres. On July 31, 1984, the Council gave North Oakland Trico (a community-based development company) exclusive rights to proceed with detailed development plans. Their preliminary proposal includes a community theater, retail uses, recreation space, and 100-150 units of market-rate and subsidized housing.

Surplus City-owned land has also been provided to nonprofit housing developers for assisted housing. Developments using surplus land now in process include 35th Avenue, Beth Eden Ecumenical and projects on Golf Links Road. As land becomes surplus to the City's needs, it will continue to be evaluated for residential use potential.

Effect of Market Constraints Upon The Development of Affordable Housing

High interest rates generally place the price of new homes in Oakland beyond the reach of low and moderate-income families. The minimum costs associated with developing a typical 1,500 square-foot home in a small infill subdivision are summarized in Table 31.

TABLE 31

SINGLE-FAMILY HOME DEVELOPMENT COSTS

Construction Costs	$ 67,500
Construction Loan Interest	3,041
Land Cost	15,000
Land Financing	1,620
TOTAL COSTS	87,161
15% Developer Profit	13,074
MINIMUM PRICE	$100,235

Assumptions: Minimum infill construction cost of $45 per square foot. Land purchased and financed (80% loan-to-value ratio) immediately prior to the start of construction at an 18% interest rate. Construction loan interest reflects the cumulative interest on four construction draws over a hypothetical nine-month construction period at an 18% interest rate.

The minimum price of $100,235, as shown in the table, is well in excess of what a moderate-income family can afford. Even after making a 20 percent downpayment, a minimum annual income of $48,669 would be required to qualify for a loan of $80,188 amortized over a 30-year term at a 15 percent interest rate. (Minimum qualifying income must be four times higher than required debt service payments.)

A benchmark figure of $25,600 for a family of four is presently applied by the federal government as the City's low to moderate-income (80 percent of median) household limit. Such households could not afford units priced beyond $42,179 under the same terms described above, a figure well below 1984 average sales prices for every City neighborhood except Central East Oakland and Elmhurst.

The bleak home affordability picture suggests that the demand for the city's ownership units comes primarily from nonresidents. The selling price of the average single family house in Oakland jumped from $48,702 in 1977 to $119,815 in 1981 and then to $156,164 in 1984. Significantly, between 1981 and 1984, a period when the rate of housing price increases for the Bay Area as a whole averaged three percent per year, the average sales price for a single-family home in the City of Oakland jumped 30 percent. Regional market pressures are therefore pushing the cost of homeownership beyond the reach of most Oakland households and fueling the process of neighborhood transition and displacement.

The increased need for new rental units to house those new households who cannot afford homeownership has not been translated into effective demand. With market rents for available units ranging from $293 per month for studios to $510 per month for two bedrooms in 1983, the conventional development of apartments is not financially feasible. The favorable balance between construction, land, and financing costs on one hand, and market rents and tax incentives on the other, does not exist. This problem is not unique to Oakland; instead, it is typical of the

economics of apartment development in the U.S. today.

Tax-exempt bond programs, as the source of permanent financing for rental projects, is Oakland's primary strategy for the next six years for developing moderate and market-rate rental housing. Developers are showing considerable interest in the City's multi-family bond issue; currently (in 1984-85) it appears that rents have increased enough to make multi-family rental projects feasible with bond financing, even with 20 percent reserved as lower-income rental units.

NEIGHBORHOOD RESISTANCE TO NEW DEVELOPMENT

Neighborhood resistance has increasingly become a factor to consider in the development of all types of housing, whether they are single-family bungalows or high-rise condominiums. Neighborhoods in all cities often resist changing their familiar environments. Even those community groups which are sympathetic to new housing balk when confronted with a high-density proposal.

There is also resistance on the neighborhood level to assisted rental housing. The large number of assisted units scattered throughout Oakland may have overly sensitized the population to this type of development. There are currently more than twelve thousand assisted units in the City, of which more than 3,300 are City-owned. Whereas Oakland has less than eight percent of the nine-county region's housing units, it has 16 percent of the region's publicly-assisted housing.

LOCAL GOVERNMENTAL CONSTRAINTS

Government policies and procedures directly affect the supply and cost of housing. Land use controls, such as zoning, have the greatest direct impact; but development approval procedures, permit fees, and building codes can affect housing costs as well.

Land Use Controls

City Zoning Regulations: Zoning Regulations can be discussed from two perspectives: textual provisions and zoning maps.

1. Textual Provisions: The Zoning Regulations contain a wide variety of zones, each intended for a different kind of location. The Oakland Zoning Summary, included as Appendix C, gives the name of each existing zone and some of its major controls. Most of these are basic zones, either residential, commercial, industrial, or special. In addition, there are combining zones which can be mapped over the basic ones to supplement them with special provisions. There are also designated landmark controls which can protect individual buildings or features of historic, architectural, or other special interest; and development control maps which can provide precise siting or other regulations. Under Oakland's Zoning Ordinance, manufactured single-family homes are permitted anywhere that conventional single-family homes are allowed.

   The ordinance contains a number of review procedures. Conditional Use Permits are required in many situations when a particular use might pose problems. (With a use permit, lot size may be reduced for "mini-lot development" of townhouses, thus reducing land cost for owner-occupied housing.) The design review procedure is required for all new construction and exterior remodelings in several zones and is required of all residential projects with five or more new units in all high-density residential zones. The variance procedure is largely intended to provide

relief in unusual cases where the zoning requirements would work an undue hardship.

The planned unit development (PUD) procedure especially encourages design flexibility and offers varying special bonuses for worthwhile projects. For instance: in the R-30 one-family residential zone, developments can include multi-family buildings; in the R-35 and higher density zones, housing density bonuses are possible; commercial uses can be built within PUD projects in many residential zones; and height limits may be waived in any zone.

Zoning ordinance changes recommended for future study include: allowing a higher density for tasteful conversion of attractive older dwellings; converting garages and ground floor storage areas to specially-designed apartments for the handicapped; and allowing a density bonus for projects which remove a blighting nonconforming use. Upon authorization by City Council, all of the above changes will be studied, and the resulting recommendations will be considered by both the City Planning Commission and the City Council.

While the zoning ordinance does regulate the development of housing in Oakland, it in no way deters or poses significant constraints on such development in the City.

2. The Zoning Pattern: Map 4, "Generalized Zoning 1980", in the City's Land Use Element shows the basic zoning pattern for Oakland in a simplified form. It shows where different activities, including residential development at a variety of densities, can be located. The official zoning map is the legal instrument for identifying locations in Oakland suitable for single-family and multi-family housing.

In Oakland, lower-density-zoned areas tend to be in the hills with higher-density-zoned areas in the flatlands. Much of Oakland in the flatlands, however, is zoned at higher densities than existing development, and much of Oakland's high-density-zoned land could accommodate much more intensive development. Oakland still has enough sites, properly zoned and serviced, to meet the City's housing objectives.

Subdivision Regulations: California's Subdivision Map Act makes nearly all real estate divisions in Oakland subject to City review. It gives the City broad power and responsibility to guard against improper development. A subdivision must be denied if it is inconsistent with the City's Comprehensive Plan (or any applicable specific plan), if the site is not physically suitable for the proposed density and type of development, or if the proposal is likely to cause substantial environmental damage.

The State law is supplemented by local controls on subdivisions. These prescribe review procedures; set forth many regulations on design (such as those affecting lot pattern and street width); and provide for construction of streets or other improvements where appropriate. A soil report is required unless waived by the City. There is also a provision calling for design to minimize or eliminate potential flood damage. One standard calls for, with certain exceptions, new lots to be at least as big as the prevalent size of surrounding lots. Another regulation requires due consideration for providing public or common open spaces. A special section in the City's ordinance deals with hillside subdivisions.

Condominium Conversion Regulations: Article 7 of the City's Subdivision ordinance deals specifically with the conversion of existing rental residential property into condominiums. The main thrust of this article is

to protect the City's residential rental supply and to protect the rights of tenants. In general, the conversion of any building of five or more units requires the provision of an equal number of conversion rights. A conversion right is generated by adding a housing unit to the City's rental supply. For the conversion to take place in what has been identified as the "conversion impact area," all buildings must produce conversion rights, and the rights must be generated within the impact area. (The ordinance details the various ways that conversion rights can be generated.) Another important feature requires lifetime leases for elderly tenants with rent increases tied to 75 percent of the increase in the rent component of the Bay Area's consumer price index.

Other City-Administered Regulations: New residential development will also be affected by a number of other City-administered regulations. These include:

1. The City's grading ordinance which requires permits for substantial earth moving projects;

2. The Oakland Municipal Code's provisions on development within the flood plain which incorporate Federal standards such as minimum elevation or floodproofing;

3. The provision banning use of septic tanks except under certain conditions on large lots;

4. Certain other special provisions of the Oakland Municipal Code, such as those on unnecessary or persistent noise;

5. Various parking and traffic controls in the Oakland Traffic Code;

6. The State's Alquist-Priolo Geologic Hazard Zones Act and related City provisions which regulate construction in such zones and require geologic reports where appropriate;

7. The State-prescribed Noise Insulation Standards (which limit indoor noise levels for all new housing except single-family-detached dwellings) and related City provisions;

8. Title 24 energy conservation standards for new residential construction adopted by the State Legislature in July, 1983 (thereby increasing the time involved in processing permit applications);

9. The Oakland Building Code's provisions for soil reports in known areas of unstable soils;

10. Other health or safety-related requirements of the Building, Housing, Sign, and Fire Prevention Codes which affect in many ways the design of new structures--and the maintenance or remodeling of existing ones (there is an on-going review of these codes to ensure that they do not present unreasonable constraints to the construction or rehabilitation of residential buildings);

11. Special rehabilitation standards that apply in renewal areas like Oak Center; and

12. Temporary "moratorium" ordinances which have been enacted on several occasions to delay construction in an area (or further development of certain kinds of uses) while appropriate planning is being undertaken.

The total building permit process was analyzed in a "Report to the City Manager of the City of Oakland" prepared by the Harvey M. Rose Accounting Corporation in April, 1982. One purpose of the report was to determine

whether permit applications are processed in an efficient and expeditious manner. One conclusion found on page 4 of the report states the following: "Although the zoning review process requires the most time, there is little that can be done by the City to shorten steps in the process. Many of these time requirements are prescribed by law...In fact, the Planning Department staff generally process zoning permit applications in considerably less time than permitted under existing legislation."

The Impact of City Regulations on Housing Rehabilitation: There are few governmental constraints on the maintenance and improvement of housing. Most rehabilitation does not involve zoning, subdivision, or other regulations previously reviewed; many of those regulations are not applicable to an existing use. Rehabilitation is much easier from a regulatory point of view than new construction.

Costs of the Local Permit Process For New Residential Development

Permit costs can vary substantially from site to site depending on site conditions, location, and types and design of development. State law requires that all fees charged be limited to the actual costs of performing such services. City of Oakland fees are fair in this regard and low in comparison to other cities in the Bay Area. This is substantiated by the ABAG report, "Development Fees in the San Francisco Bay Area, An Update", published in January, 1982. The following are some of the major local permit costs (as of July, 1984) that a developer would have to bear in undertaking a new residential development.

I. Planned Unit Developments

A. Preliminary PUD

Basic Fee: $1575.

Plus: $11 per 10,000 square feet of site area over four acres.

Plus: $0.005 per square foot of floor area.

B. Final Planned Unit Development

Basic Fee: $900

Plus: $5 per 10,000 square feet over four acres.

Plus: $0.002 per square foot of floor area.

C. Plus $1575 and $32 per lot if a Tentative Map is required.

D. Plus costs for Environmental Impact Report (EIR), if required, and Building Permit fees (see below).

II. New Condominiums

A. Tentative Map: $1607.

B. Plus Final Map: $720.

C. Plus costs for EIR, if required, and Building Permit fees (see below).

III. All Other Subdivisions

A. Tentative Map: $1575 plus $32 per lot.

B. Plus Final Map: $680 plus $45 per lot.

C. Plus costs for EIR, if required, and Building Permit fees (see below).

IV. Environmental Impact Report: $1700.

V. Building Permit Fees

A. Inspection:

1. $50,001 to $100,000 construction value: $288.50 for first $50,000 plus $2.50 for each additional $1,000.

2. $100,001 plus construction value: $413.50 for first $100,000 plus $1.75 for each additional $1,000.

B. Checking: 60 percent of Building Permit Inspection fees.

Overall, there are no significant local governmental constraints upon the maintenance, improvement, or development of housing for all income groups imposed by the City's land use controls, building codes and their enforcement, required site improvements, fees and other exactions required of developers, or local processing and permit procedures.

FEDERAL POLICY CONSTRAINTS

Recent changes in federal housing policy have had a critical effect on Oakland's ability to produce and rehabilitate housing needed by the City's low and moderate-income residents. This section attempts to put these new shifts in perspective and describe their probable impact upon affordable housing efforts in Oakland. Federal policy is a crucial determinant of the amount of new housing that can be produced. Since the Second World War, a cornerstone of domestic policy has been that the federal government should intervene in national capital markets to insure a sufficient flow of funds into housing to meet societal needs. Concrete steps included the provisions of federal home mortgage insurance to reduce lender risk (FHA and VA), the creation of secondary mortgage markets to more efficiently allocate funds (FNMA and GNMA), and the provision of tax incentives such as the accelerated depreciation of rental property and deductibility of interest on home mortgage payments to stimulate supply and demand.

Within the housing production system itself, the government has intervened to meet the needs of low-income families who were not being adequately housed through the filtration process. An initial step was legislation authorizing the creation of local housing authorities--public corporations whose task is the development and operation of publicly-owned housing for low-income families and elderly persons. More recently, however, the government has sought to affect private housing markets directly by creating subsidy programs to encourage the private development and ownership of housing for low-income groups (HUD Sections 236, 202, 8, etc.). Similar programs to stimulate the private rehabilitation of housing in declining areas were also developed (Urban Renewal, Section 312, etc.). The net effect of such public and private efforts has been, despite the serious problems that remain, an upgrading of housing conditions for many Americans.

The position of the present administration is that government policy has overallocated capital into housing to the net detriment of industry and commerce. By redirecting funds out of housing, it is argued, more money will be available for industrial development, and productivity will increase for the economy as a whole.

The Reagan administration, with the concur-

rence of a majority in the Congress, has implemented this concept. Funding for virtually all of the existing "deep subsidy" production and rehabilitation programs (such as Section 8 rental assistance) have been eliminated except for a small allocation for elderly housing. As a substitute, the creation of a less expensive rental voucher system has been implemented on an experimental basis; this system provides some low-income households with financial assistance enabling them to afford prevailing market rents in existing units. There is no assurance, however (nor has it been so argued), that the private market will respond to increased purchasing power by providing more units.

As a community with a proportion of poor and minority residents higher than the regional average, Oakland has been particularly dependent upon federal programs to provide housing. As of 1984, Oakland had approximately 12,000 public and publicly-assisted housing units, some eight percent of its total stock. In spite of these accomplishments, many large families, elderly, handicapped individuals, and other groups with low and moderate incomes remain inadequately housed in Oakland. The private market is not capable of providing new housing for people in these groups in the absence of government subsidies. In addition, few existing units are likely to become available to such households through the filtration process. Regional demand pressures have interrupted the normal movement of vacancy chains and are largely preventing low-income households from realizing any direct benefit from the production of more expensive market-rate units.

In summation, market factors have induced a housing crisis in Oakland leaving the City with a pressing need for direct federal and state housing assistance. As relatively little aid appears forthcoming, however, overcrowding and displacement are likely to become increasingly severe problems.

Goals, Policies, and Programs

This section of the chapter concentrates on the tools and processes of implementation. It has been divided into three subsections:

- Policy Planning - This subsection discusses the function of the Housing Element and includes a listing of adopted housing goals, policies, and quantified objectives for the development and rehabilitation of housing between 1985 and 1990.

- Program Planning - This subsection discusses Oakland's experience with certain programs and contains a listing of program tools currently being used to meet the City's housing problems.

- Housing Action Plan - This subsection discusses uncertainties inherent in projecting future program results and specifies ongoing and future housing actions the City intends to undertake.

POLICY PLANNING

The preparation of a comprehensive housing implementation program is the responsibility of a number of city offices including City Planning, the Housing Authority, and the Office of Community Development's Housing Department. The Housing Element's function is to identify housing issues, determine City policy, and set forth realistic program production targets. The statements listed below represent all of the City's Housing Element goals, policies, and quantified objectives as they will appear in the Oakland Policy Plan, a basic component of the City's Comprehensive Plan.

Housing Goals

- To ensure that every Oakland family has the opportunity to live in a sound housing unit, large enough to accommodate its members, at a reasonable cost relative to its income, and free from noneconomic constraints on its freedom of selection. (E)

- To provide for the housing needs of all economic segments, all age groups, and all household types. (E)

- To ensure a reasonable balance of housing according to tenure (such as conventional ownership, condominium, or rental) dwelling type (such as single-family or multi-family buildings), price, density, type of amenities, and location. (E)

Substandard Housing Policies

1. The City recognizes that housing is a valuable resource that should be carefully conserved and maintained and will take all necessary steps to prevent damage to the City's occupied or vacant residential property. (E)

2. A variety of rehabilitation loan programs, together with counseling and other support services, will be offered within the City's community development districts. (M)

3. Dilapidated housing units should be demolished only if they are economically infeasible to rehabilitate--even taking into account the availability of subsidies--and if adequate and affordable relocation housing is available for the occupants. (M)

4. The City actively supports revision of income and property tax laws to encourage housing stock rehabilitation and to discourage the continuation of substandard housing. (E)

5. The City vigorously discourages lending institutions from using "high risk" geographic areas (redlining)--rather than individual household credit--as a basis for screening, rejecting, or limiting home loan applications to buy or rehabilitate housing. (E)

6. The City will support, through its community development program, activities to correct blighting conditions such as trash clean-ups, tree plantings, and paint programs. (M)

7. The City encourages rehabilitation efforts which respect the architectural integrity of a building's original style. (E)

8. The City supports and encourages programs to acquire and rehabilitate long-term vacant houses. (N)

Overcrowding and Housing Production Policies

1. The City encourages developers to construct a range of housing types, sizes, and prices proportionate to the household size and income characteristics of Oakland's present and projected population. (N)

2. Recognizing that there may be an impact on Oakland's housing needs generated by new local and regional

commercial development, the City shall gather relevant data and make it available to all interested parties, and, acting on that data, facilitate the production of new housing to meet identified needs whenever possible. (N)

3. The City will continue to study the effect of economic growth and job creation on Oakland's housing market, including the demand for market-rate housing as well as for below-market-rate housing. The City will investigate programs which could specifically address this problem as more information becomes available. (N)

4. The City encourages market-rate housing development and will facilitate such development by providing assistance to developers and by expediting the review and application processing for desirable projects. (M)

5. To promote the development of below-market-rate and other types of housing meeting special identified needs, the City will consider the use of regulatory concessions. These concessions might include density bonuses, parking adjustments, waiver of certain development fees, and other similar measures. (N)

6. The City supports the production and conservation of sufficient numbers of assisted and market-rate housing units to meet the needs of Oakland's large families. (M)

7. Condominium conversions are encouraged as a means of increasing housing choice when it can be found that such conversions will not create a shortage or have other negative impacts on rental housing. The City will require that the sellers of condominium conversions assist and protect the rights of both existing tenants and new buyers. (E)

8. The City will make every attempt to preserve the existing housing stock whenever possible and to limit the conversion of residential units to nonresidential uses. (N)

9. The City will require that all new housing, including publicly-assisted housing, have the qualities and amenities which will assure that it remains a positive asset to Oakland's housing stock. (M)

10. The City will cooperate with private housing producers wherever justifiable to reduce the overall cost of housing units. (E)

11. The City supports, and will initiate when possible, the development of limited equity cooperatives and other nonprofit mechanisms as a means of reducing construction, selling, and reselling housing costs. (M)

12. The City, where economically feasible, will cause to relocate, rather than demolish, residential property acquired for public or private purposes and urges Federal and State agencies to use a similar approach. (M)

13. The City encourages the construction of secondary units in accordance with the City's Zoning Regulations. The City will make available, to the public, information regarding funding sources for secondary units and will consider the use of Community Development Block Grant funds to assist the creation of secondary units for

occupancy by low and moderate-income households. (N)

14. Vacant and/or surplus public or institutional lands over one-half acre in size should be evaluated for their suitability for housing development, including assisted housing, before commitments are made for other land uses. (N)

15. The City encourages well-designed mixed-use housing and nonresidential projects within the City's commercial zones, particularly in the Central District and on many of the City's major arterials. (N)

16. The City encourages the re-use of vacant outmoded commercial and industrial buildings as joint living and work quarters, especially for members of the creative arts community. (N)

Low and Moderate-Income Housing Policies

1. Oakland will take maximum advantage of the full variety of available federal and state housing subsidy programs and will seek out and develop new financial resources for below-market-rate housing development. (M)

2. Publicly-assisted housing programs should be used in Oakland to emphasize homeownership opportunities for low and moderate-income families. (M)

3. The City will work with private developers to include a reasonable percentage of housing units affordable by low-to-moderate-income households within all future developments. The City will also use its influence to procure subsidies for these housing units, including the waiver of certain development fees. (M)

4. The City supports housing subsidy programs that allow low-to-moderate-income renters to eventually become homeowners. (M)

5. Oakland believes all Bay Area communities should plan and zone their areas of influence to accommodate a fair share of the region's housing need and, in particular, should make greater efforts to facilitate publicly-assisted housing and rental housing within their jurisdictions. (M)

6. Whenever feasible, housing for low and moderate-income households should be included in all publicly-sponsored redevelopment projects. (N)

7. The City's existing stock of residential hotels is a vital housing resource for low-income households and should be preserved whenever feasible and consistent with other City objectives. (N)

8. Oakland is committed to providing and maintaining emergency shelter and services for the homeless. The City will utilize City, state, federal and private funding sources to help support existing shelters and to create new facilities. (N)

Distribution and Location of Publicly-Assisted Housing Policies

1. Housing constructed with, or otherwise receiving, public assistance should be distributed to provide broader housing choices and to fit harmoniously into its immediate surroundings without impacting the

neighborhood, its schools, or other public facilities serving it. (M)

2. To give a greater choice of housing locations for low-and-moderate-income households and to limit the concentration of publicly-assisted housing in any one area, new assisted units will generally be allowed only in census tracts which have remaining capacity for such housing. (E)

3. The City will use a school capacity rating and a publicly-assisted housing concentration rating to determine where future assisted family housing will be allowed and the relative priorities of areas for receiving such housing. (E)

4. Publicly-assisted elderly housing may be developed throughout the City, limited only by the remaining capacity for additional assisted housing in any particular census tract. However, in census tracts where both publicly-assisted family and elderly housing may be developed, family housing should have priority since site locations available for this kind of household are more limited. (M)

5. Any addition to the publicly-assisted housing supply should now, and in the future, blend in and be compatible with surrounding development as to use and density. Its conformity or nonconformity to existing zoning regulations, while important to consider, should not necessarily preclude its evaluation. (E)

6. Publicly-assisted housing for the elderly should be within walking distance of a bus stop, a supermarket, a drugstore, and a laundromat unless the service is provided within the project itself. Steep slopes, unusual danger from crime, or isolation from necessary services should be vigorously avoided in locating an elderly housing development. Access to other services such as churches, a bank, a post office, a department store, a barber shop, a beauty parlor, and a social center should also be considered in assessing the location of a proposed project. (M)

7. Residents of publicly-assisted family housing should have convenient access to transportation, shopping, park and recreation areas, child care centers, and elementary schools within the neighborhood. (E)

8. Assisted family housing projects should be adequately spaced to ensure that the negative consequences of impacting a relatively small area (neighborhood) will not occur. (M)

9. In general, no more than one parcel containing assisted family housing should occur in the same block or in the two block faces having a common street frontage (the area abutting both sides of a street between two intersecting streets). (E)

10. The size of an assisted housing development should be limited so that it does not adversely affect abutting properties or the immediately surrounding area but yet is of sufficient size to allow feasible development and flexibility in design. New family housing projects to be owned and operated by the Oakland Housing Authority should, however, be limited at any one location to 12 bedrooms in any combination up to six units. (M)

11. The location, design, and site planning of assisted housing development should provide a functional, convenient, and attractive living environment for its occupants. (E)

12. The buildings, grounds, and landscaping of assisted housing should be developed and maintained at a level which would not adversely affect the livability or appropriate development of abutting properties or the immediately-surrounding area. (M)

Open Housing Policies

1. All housing in the City should be available equally to all persons without restrictions based on race, color, ethnicity, religion, sex, age, source of income, physical disability, national origin, marital status, or sexual preference. (M)

2. The City will take all necessary and appropriate steps to achieve a completely open housing market; the City calls upon all citizens and upon private industry to build, finance, sell, and rent properties without regard to race, color, ethnicity, religion, sex, age, source of income, physical disability, national origin, marital status, or sexual preference. (M)

3. The City calls upon regional governmental agencies and East Bay county and local governments to develop and implement a regional "fair housing" program. (E)

4. The City supports State and Federal fair housing legislation and urges more intensive efforts on their part to enforce conformance to established laws. The City also supports private local fair housing organizations that receive and investigate discrimination complaints. (M)

5. Whenever feasible, the City of Oakland, through its regulatory powers, will require that potential residential developers and sponsors prepare affirmative action marketing and management programs to implement federal, state, and local policy regarding open housing. (E)

6. The City supports State and local law prohibiting housing discrimination against households with children and will provide support for the enforcement of these laws. (N)

7. The City supports programs for the removal of architectural barriers in order to make more housing suitable for the disabled. (N)

Quantified Housing Objectives

The City establishes the following objectives for the five-year period between 1985 and 1990.

A. Net addition to Oakland's housing supply: 4,375 units

B. Increase in subsidized units:

   1. Moderate income: 2,300 units
   2. Low income: 1,075 units

C. Number of existing units to be given rehabilitation assistance:

   1. Moderate income: 0 units
   2. Low income: 2,450 units

PROGRAM PLANNING

With the advent of the Community Development Block Grants and the formation of the City's Office of Community Development (OCD), a more coherent planning process for housing development emerged. A Housing Department was created within OCD consolidating the functions of Housing Conservation, Housing Rehabilitation, and various support services including home counseling and relocation. The Housing Department helps bridge the gulf between policy development and program implementation.

Interacting with the development of housing programs is a citizen participation process composed of seven Community Development District Councils under the aegis of the Community Development Advisory Commission (CDAC) with staff support provided by OCD. The District Councils, made up of district citizens, develop program and project ideas which are forwarded for review to the CDAC. The CDAC reviews district proposals and recommends selected programs and projects to Council which then considers them in light of existing City policy and budget constraints.

The City's major housing programs developed so far fall generally into the two categories of "regulation" and "subsidy", with the subsidy programs using the greatest resources. The subsidy programs fall into subcategories of direct subsidy, (grants of City, State, or Federal funds) and indirect subsidy (various revolving loan programs). These and other programs which have been (or have the potential for being) important tools in addressing specific housing problems in Oakland are described below.

HOUSING PROGRAMS AND ACTIONS IN THE CITY OF OAKLAND

(All of the following are existing, ongoing programs unless otherwise indicated.)

SUBSTANDARD HOUSING

1. The Federal Housing Administration (FHA) mortgage insurance.

   Program responsibility: Private lenders and HUD/FHA.

   Program Description: FHA is generally required to rehabilitate units which have been repossessed following foreclosures on FHA-insured loans. Some FHA units are sold "as is" for private rehabilitation and resale. FHA also has market rate loan insurance programs (Title I and Section 203(K) for home improvement loans.

2. Substantial Rehabilitation Section 8 Program.

   Program responsibility: Private developers and HUD.

   Program Description: The HUD Section 8 Program provides rental assistance to low-income households by providing landlords with the difference between approximately 30 percent of the household's income and the market rent for their unit. In the substantial rehabilitation component of the program, units receiving major rehabilitation are then leased to low-income tenants. Rehabilitation may be privately financed, but plans must be approved and progress monitored by the local HUD area office.

   Status: Currently not funded; no funding anticipated.

3. Section 312 Rehabilitation Loans.

Program responsibility: Office of Community Development (OCD) and HUD.

Program Description: HUD makes available low-interest loans through the City for the rehabilitation and improvement of residential properties in areas needing concentrated rehabilitation efforts.

Status: Funding occasionally available.

4. Guaranteed Loans Veterans Administration (VA).

Program responsibility: Private lenders and the VA.

Program Description: VA guarantees loans for the purpose of buying, repairing, rehabilitating, or refinancing homes owned or occupied by veterans. Because of the VA guarantee, the veteran may not be required to make a downpayment.

5. California Housing Finance Agency (CHFA); Homeownership and Home Improvement (HOHI) and Program Direct Lending (multi-family).

Program responsibility: Private developers, lenders, and CHFA.

Program Description: CHFA is authorized to issue bonds and to make loans for the rehabilitation of existing multi-family housing. Through HOHI, it will also provide purchase and rehabilitation loans to low and moderate-income owner-occupants of single-family homes.

Status: Loans available from time to time depending on the bond market.

6. The Home Maintenance and Improvement Loan Program (HMIP).

Program responsibility: OCD.

Program Description: This program provides low-interest and deferred-rehabilitation loans from a revolving loan fund to low and moderate-income owner-occupants of one-to-four-family buildings in the Community Development Districts. It is funded through Community Development Block Grants.

7. HMIP - Vacant Housing Program.

Program responsibility: OCD.

Program Description: This program acquires, rehabilitates, and sells former vacant and dilapidated homes to low and moderate-income families who agree to live in these houses for a minimum number of years. Community Development funds are used for operating, construction, and subsidy expenses, while first mortgages for the home buyers are provided through the Section 235 Program, banks, savings and loan organizations, and municipal bond programs.

Status: Active program, but a limited number of homes have been available in the past.

8. Urban Homesteading Program (HUD 810).

Program responsibility: OCD and HUD.

Program Description: This program utilizes vacant properties made available by HUD which are then conveyed to selected low and moderate-income applicants for one dollar plus incidental fees. Homesteaders must agree to bring their homes

up to code and reside in them for five years. Rehabilitation loans are made available.

Status: Active, but very few properties have been available from HUD recently.

9. Paint and Weatherization Program.

Program responsibility: OCD and Social Services.

Program Description: This program provides free painting and weatherization services to low-income homeowners who meet certain eligibility criteria.

10. Self-help Paint Program.

Program responsibility: OCD.

Program Description: Free paint, equipment, and limited technical assistance is provided to low-income homeowners who agree to paint their own home.

11. Vacant Building Abatement Program.

Program responsibility OCD.

Program Description: This inspection program concentrates on seriously dilapidated vacant structures in an effort to evaluate whether the building can be rehabilitated--by the owner or the City--or must be demolished. It includes a "Clean up and Security" component to board up houses and clean premises, and a "Public Nuisance Demolition" component to demolish dilapidated buildings that can't be rehabilitated. See Program 7.

12. Home Management Counseling.

Program responsibility: OCD.

Program Description: The program provides counseling for families experiencing defaults and delinquencies on their mortgages and provides information and counseling on rehab programs. The program also offers pre- and post-occupancy and consumer counseling, helps carry out the City's fair housing policies, organizes home repair classes, conducts tenant briefings for the Existing Section 8 Program, and provides information and referral.

13. Neighborhood Housing Services Inc. (NHS).

Program Description: NHS operates in the Elmhurst District. It provides rehabilitation and financial counseling, makes referrals for financial assistance, administers a rehabilitation revolving loan fund and self-help new construction program for low-income households, and participates in various neighborhood revitalization projects.

14. Savings Associations Mortgage Company Inc. (SAMCO).

Program responsibility: Member institutions.

Program Description: This organization represents 27 Savings and Loan Institutions which provide a pool for spreading the risk on inner-city loans. SAMCO does not originate loans but operates through member institutions who operate in Oakland.

15. Jubilee West.

Program Description: This community organization operates in West Oakland where they own over 30 units of rehabilitated housing rented to low-income families. They buy vacant units and rehabilitate them using various funding sources. Tenants participate in the rehab work.

16. Oakland Community Housing Inc. (OCHI)

Program Description: OCHI is a citywide nonprofit housing development corporation. They were funded by the City to develop 300 units of replacement housing for the City Center redevelopment project. They joint venture with other neighborhood-based community groups to develop both new housing and to rehabilitate existing units.

17. California Department of Housing and Community Development (HCD), Deferred Loan Program.

Program responsibility: HCD and OCD.

Program Description: Under the deferred loan program, the state provides the City with funds which are lent to low and moderate-income homeowners at below-market interest rates for rehabilitation purposes. Payments on loan principal and interest are deferred for five years or until the home is sold, whichever is first.

Status: Active but limited funds are available.

18. The Multi-Lender Mortgage Purchase and Rehabilitation Program.

Program responsibility: OCD and participating lenders.

Program Description: The City issues tax-exempt bonds which are used to raise funds for the origination of below-market-rate single-family home mortgages. Two bonds issues have been provided (Issues A and B) and all funds were utilized. About 20 percent of these funds were used for rehabilitation purposes. This program serves the moderate-income homebuyer.

Status: Available, but depends on the bond market.

19. Moderate Rehabilitation Section 8 Program.

Program responsibility: Oakland Housing Authority (OHA) and HUD.

Program Description: In the "Mod-Rehab" Section 8 Program, HUD allocates Section 8 contract authority to the OHA which administers the program. Eligible units receive minor to moderate rehabilitation which generally need not result in tenant displacement. Landlord receives difference between approximately 30 percent of the tenant's income and fair market rent upon completion of privately financed rehabilitation.

Status: HUD has been phasing out this program.

20. Multi-Family Rental Rehabilitation Mortgage Revenue Bonds

Program responsibility: OCD, OHA and private lenders.

Program Description: The City and the Housing Authority in cooperation with Bank of America sold $16.6 million of tax-exempt mortgage revenue bonds to fund the rehabilitation of rental housing. At least 20 percent of each project must serve tenants of low-to-moderate income.

21. Rental Rehabilitation and Development Grant Program.

Program responsibility: HUD, OCD and private rental property owners.

Program Description: This new HUD program, which replaces Section 8 Substantial Rehabilitation, is being developed by OCD. HUD grants funds to eligible cities for rehabilitation of rental units. The City selects the properties and loans the funds to the owner. HUD has also allocated Section 8 subsidies to complement this program. The principal restriction on the funds is the dollar limitation on the rehabilitation cost per unit.

22. Special User Housing Rehabilitation Program (SUHRP).

Program responsibility: State HCD, OCD, and property owners.

Program Description: The State provides funding for 30-year rehabilitation loans to preserve and upgrade residential hotel housing.

OVERCROWDING AND HOUSING PRODUCTION

1. Section 8 Program for New Construction.

Program responsibility: HUD and private developers.

Program Description: In the new construction program, Section 8 rental assistance is provided. Projects are usually financed by below-market-rate loans from various sources.

Status: Inactive, no funding expected.

2. Section 202/8 - Housing for the Elderly.

Program responsibility: HUD and private nonprofit developers.

Program Description: This is a direct federal loan program for nonprofit organizations or cooperatives which want to produce housing for the handicapped, elderly, or mentally retarded. The program provides a matching Section 8 allocation.

3. CHFA Direct Lending Program and HOHI Program

Program responsibility: CHFA and private lenders and developers.

Program Description: CHFA provides direct below-market-rate loans to housing sponsors or developers to finance multifamily residential developments which will provide new housing to mixed-income families. Through the HOHI Program, CHFA will provide lenders funds for the permanent construction/take-out financing of individual homes and small infill subdivisions.

4. Limited Equity Coops.

Program responsibility: Private, nonprofit developers.

Program Description: Nonprofit housing development corporations can obtain below-market-rate financing from the National Consumer Cooperative Bank or from housing revenue bond programs to finance coop developments. Projects are owned by the coop, and residents own shares in the coop and have rights to the occupancy of their unit. Rent paid goes to meet the project loan. Price and terms at which shares may be resold are

determined by the coop and generally is less than their full market value, hence "limited equity."

5. Condominium Conversion Controls.

   Program responsibility: City Planning Department.

   Program Description: The City's Subdivision Regulations require that developers seeking to convert apartment buildings into condominiums must produce one conversion right for every unit converted. Conversion rights are generated by adding rental units to the city's housing supply.

6. Residential-Nonresidential Conversion Controls.

   Program responsibility: City Planning Department.

   Program Description: The City's Zoning Regulations require that a Conditional Use Permit (C.U.P.) must be obtained before a dwelling can be converted to a nonresidential use in a nonresidential zone. In order to grant the C.U.P., one of four specific findings must be made.

7. Oakland NHS "Owner-Built Housing" Program.

   Program responsibility: NHS and OCD.

   Program Description: "Sweat equity" reduces construction costs. Municipal Bond financing through Oakland's multi-lender program and below-market loans from private lenders working with NHS reduces mortgage payments to levels affordable to low and moderate-income owner-builders. The City can provide free land, construction financing, and subsidies; Oakland NHS provides training, technical assistance, and supervision for all work.

8. Housing Development Action Grants (HODAGS).

   Program responsibility: HUD, OCD and housing developers.

   Program Description: Oakland is an eligible city for the new HODAG funding. The City can apply for the competitive grants for specific rental housing projects (new construction or substantial rehabilitation) sponsored by either private or nonprofit developers. The grants can be used in various ways to subsidize development costs. At least 20 percent of the units must remain available to lower-income households.

9. City of Oakland Multi-Family Rental Construction Revenue Bond Program.

   Program responsibility: OCD.

   Program Description: The City is presently issuing its first revenue bonds to provide below-market-rate financing for new apartment projects.

10. California Homeownership Assistance Program (CHAP).

    Program responsibility: HCD and OCD.

    Program Description: HCD provides funding for up to 49 percent of the cost of purchasing manufactured housing on single-family lots for eligible low and moderate-income buyers. The City provides tax-exempt mortgage financing through the multi-lender program.

11. City Center Replacement Housing.

    Program responsibility: Oakland Community Housing Inc. (OCHI)

    Program Description: The City has a contract with OCHI to develop 300 housing

units to replace the housing demolished for the City Center Redevelopment Project. Central District Tax Increments provided the funds for this program.

12. Central District Development Program (CDDP) and Central District Housing Program.

    Program responsibility: City Planning Department, OCD, and private consultants.

    Program Description: These major consultant studies are analyzing the potential impact of future downtown development on existing housing. Housing needs generated by new job creation, market demand for housing, potential sites and development strategies for new housing, and preservation of existing housing in the Central District are being studied.

13. Assistance to Housing Developers.

    Program responsibility: OCD.

    Program Description: Staff of OCD provides various types of assistance to housing developers, mainly of subsidized housing. A list of specific sites that are both suitable for elderly and family housing and are consistent with the City's assisted housing policies and objectives is available and updated periodically. Other types of assistance is also provided.

14. Zoning Ordinance and Development Administration.

    Program responsibility: City Planning Department.

    Program Description: The zoning ordinance, which regulates the quality, density, and location of housing in the City, is Oakland's overall housing development program. As part of its PUD controls, the City can require sponsors of large projects to provide housing as a part of the PUD project proposal.

15. Changes to the Zoning Ordinance Text and Map.

    Program responsibility: City Planning Department, City Planning Commission, and City Council.

    Program Description: From time to time, changes are made to the Zoning Ordinance text and map that improve procedures or reflect changes in City policy.

16. Second Unit Ordinance.

    Program responsibility: City Planning Department.

    Program Description: Oakland had adopted a second unit ordinance in accordance with State law. It permits the construction of secondary dwelling units in all single-family zones subject to a conditional use permit and certain size and parking standards.

17. ECHO/Project Share

    Program responsibility: Eden Council for Hope and Opportunity

    Program Description: Project Share provides homesharing matching services for people who want to live with others, counseling for people considering homesharing, and assistance in arranging group living situations. Homesharing helps provide companionship, decreases isolation, reduces the cost of housing, and minimizes institutionalization for older adults.

NEEDS OF LOW AND MODERATE-INCOME FAMILIES

1. Section 8 Program for Existing Housing.

   Program responsibility: HUD and OHA.

   Program Description: Low-income families receive Section 8 certificates from OHA and locate landlords willing to rent units and enter into Section 8 contracts. HUD pays landlords the difference between approximately 30 percent of the tenants' income and the maximum allowable rent level set by HUD

   Status: Active, but very limited funding for increased units.

2. Demonstration Voucher Program.

   Program responsibility: HUD and OHA.

   Program Description: Oakland was selected as a demonstration city for 350 units of rental assistance vouchers. Families receive vouchers from OHA equal to the difference between 30 percent of their income and the maximum rent level set by HUD. Families then locate housing on their own without involvement of the Housing Authority.

3. Oakland Multi-Lender Mortgage Purchase and Rehabilitation Program.

   Program responsibility: OCD and participating lenders.

   Program Description: In addition to the Multi-Lender Program's rehabilitation function discussed above, below-market-rate financing for the purchase of new and existing homes is made available to prospective low and moderate-income buyers.

4. Section 235 - Homeownership for Low-Income Families.

   Program responsibility: HUD and participating lenders and/or developers.

   Program Description: HUD reduces mortgage interest rates to very low levels to enable low and moderate-income buyers to purchase inexpensive homes; income and mortgage/price ceilings are set by HUD. Price ceilings are too low for Oakland so additional subsidies are necessary.

   Status: Limited Activity.

5. Publicly-owned Housing.

   Program responsibility: HUD and OHA.

   Program Description: The Oakland Housing Authority (OHA) administers the City's public housing program. OHA receives annual federal contributions to develop and maintain multi-family dwellings which are rented to eligible low-income families and elderly persons at rental rates not to exceed approximately 30 percent of their adjusted incomes.

6. Cal-Vet Loan Program.

   Program responsibility: State of California.

   Program Description: This program provides long-term housing loans at low interest rates for California veterans. It is also in the process of implementing a conditional commitment program which will allow Cal-Vet loans to be used to rehabilitate homes in conjunction with the purchase.

7. Tenant Access Program.

   Program responsibility: OCD.

   Program Description: Grants from CDBG funds are available to make residential rental property accessible to disabled persons. The property must be located within the seven Community Development Districts.

8. Rent Arbitration Board.

   Program responsibility: City Manager's Office.

   Program Description: The City's rent arbitration board provides a forum to arbitrate disputes over rent increases exceeding an eight percent annual rate. Landlords must justify increases exceeding this rate according to criteria established by the City.

9. Emergency Housing Program

   Program responsibility: OCD

   Program description: This program addresses the needs of the homeless by funding five emergency shelters, two voucher programs, and the Emergency Shelter Coordination Project of the Emergency Services Network of Alameda County. The City will also develop new emergency shelter facilities and work with Alameda County to develop a safe site and other emergency services for the homeless.

OVERCONCENTRATION OF PUBLICLY-ASSISTED HOUSING

1. Review of Applications for Federal Housing Assistance.

   Program responsibility: HUD and OCD.

   Program Description: Under Section 213 of the Housing and Community Development Act of 1974, the City has the opportunity to object to HUD's approval of any assisted housing application on the grounds that the application is inconsistent with the potential housing sites indicated in the City's Housing Assistance Plan (HAP).

2. The City of Oakland as the CHFA Local Housing Agent.

   Program responsibility: City of Oakland.

   Program Description: In approving the City as a local housing agent, the State has accepted the City's policies and standards for the location and distribution of assisted housing as part of the City's official affirmative housing plan.

3. Review of Publicly-Assisted Housing.

   Program responsibility: OCD and Department of City Planning.

   Program Description: The City evaluates proposed assisted housing projects by the policies and standards contained in Chapter 6 of this Housing Element.

DISCRIMINATION IN HOUSING

1. Federal Fair Housing Enforcement.

   Program responsibility: HUD

   Program Description: HUD enforces the 1968 Civil Rights Act which prohibits discrimination in housing and guarantees the right of fair housing. This act complements the 1866 Civil Rights Statute which requires equal protection under the law.

2. Home Mortgage Disclosure Act of 1975.

Program responsibility: Federal Home Loan Bank Board.

Program Description: This act requires the disclosure of mortgage loan data by depository institutions that both make federally related mortgage loans and are located in central cities. This act requires that sufficient information be provided to enable governmental and community groups to determine whether depository institutions are fulfilling their obligations to serve the housing needs of the community in which they are located.

3. Community Reinvestment Act of 1977 (CRA).

Program responsibility: Federal regulatory agencies.

Program Description: Financial institutions are required by this law to publish a CRA statement delineating the local community and listing the types of credit that the lender will extend to the community. Information based upon CRA requirements may be used by federal financial regulatory agencies to deny applications by unresponsive lenders seeking to branch or merge.

4. State Fair Housing Enforcement.

Program responsibility: State of California.

Program Description: The Rumford Fair Housing Act, enforced through the State Fair Employment Practices Commission, is the governing legislation which deals with discrimination in publicly-assisted housing, property acquired through public action, FHA- and VA-financed property, most multi-family units, and virtually all owner-occupied single-family units.

5. State Anti-redlining Actions.

Program responsibility: State of California.

Program Description: Title 10 of the California Code prohibits savings and loan associations from denying mortgage loans because the subject property is in a less than desirable neighborhood.

6. Home Counseling.

Program responsibility: OCD.

Program Description: A division of OCD provides information and referral on fair housing and open housing laws to Oakland residents, property owners, and real estate brokers.

7. Open Housing in Large New PUD Developments.

Program responsibility: City Planning Department.

Program Description: The City Planning Department can require that residential developers and sponsors of large PUD subdivisions prepare affirmative action marketing and management programs to implement Federal, State, and local policy regarding open housing.

8. The Oakland Affirmative Housing Plan.

Program responsibility: City Planning Department.

Program Description: The State of California has adopted the City publication "Oakland Publicly-Assisted Housing: Distribution and Location" as the City's affirmative housing plan. The officially adopted policies and procedures in the report are duplicated in Chapter 6 of this Element.

9. Oakland Housing Authority.

   Program Description: The Oakland Housing Authority has adopted an affirmative action plan "to promote fair housing policies in the public housing community and to assist in the integration of non-integrated communities through the scattered site program."

10. Alameda County Legal Aid Society.

    Program Description: This organization provides assistance in enforcing laws prohibiting redlining and housing discrimination and in efforts to ensure that Oakland's burden of low-income housing is shared by surrounding cities.

11. Operation Sentinel.

    Program responsibility: Stanford Mid-Peninsula Urban Coalition.

    Program Description: Operation Sentinel serves as a centralized complaint center for allegations of housing discrimination for the Bay Area. Since 1979, CDBG funds have been used to support their activities in Oakland and to fund outreach and public awareness of fair housing laws. They receive complaints and utilize checkers from the local area to investigate them. Since March, 1984, Operation Sentinel has been under contract with CDBG funds to provide landlord/tenant counseling and mediation services in Oakland.

12. Housing Rights for Children Project.
    Program responsibility: BANANAS, Inc.

    Program Description: This program assists in the promotion of open housing for children, provides general counseling concerning fair housing for children, handles referrals regarding the City's child discrimination ordinance, and provides guidance and counseling to tenants seeking protection under State and local laws.

HOUSING ACTION PLAN

Uncertainties regarding future interest rates and the availability of State and Federal subsidies make the task of preparing a comprehensive action plan more difficult than would otherwise be the case. The Action Plan for the years 1985 through 1990 therefore represents a best estimate of the maximum number of households that can be assisted and assisted units that can be constructed and rehabilitated given the constraints under which the City must operate.

Past Performance Levels

Table 32 summarizes Oakland's accomplishments over the last five years for total new housing construction, new subsidized units, and households receiving rental assistance, and over the last four fiscal years for units rehabilitated.

Evaluation of New Construction Performance: Table 33 compares the actual numbers of housing units added between 1980 and 1985 with the City's goals for this period and with the needs established by ABAG for Oakland.

In the aggregate, the total units completed is short of the City goal by 345 units and of the ABAG figure by 322 units. This is commendable progress considering the slump in housing starts in 1982 and the prevailing high interest rates over the five year period. However, the breakdown by income level indicates that 53 percent (1,264 units) of

the net gain was in state and federally subsidized housing for lower-income persons. In fact, the City exceeded its goal in that category by 264 units. Many of these units received Section 8 rental subsidies and thus were financially feasible to build. However, the federal government is no longer funding Section 8, New Construction, and its replacement program (HODAG grants) is not expected to produce as many units.

The deficiency of 628 units (only 260 short of the ABAG figure) in the moderate income category must be explained. The 122 units shown as completed are owner-occupied, single-family homes subsidized by various federal, state, and local programs (such as Section 235, CHAP, CDBG, and mortgage bond financing). Unfortunately complete records of the buyers' incomes are not readily available, so it was assumed the occupants were of moderate income (although some probably were of lower income). Also some occupants of new market-rate housing developments are of moderate income, but since there is no data available on the incomes of these households, it was assumed that they were all of above-moderate incomes. Despite these statistical flaws, the shortfall does reflect a deficiency in the housing production system. Moderate-income households' needs are not being met by either the private housing development industry or by government programs. The private market apparently cannot produce either ownership or rental units affordable by the moderate-income household. When interest rates are high and unstable, it is especially difficult. The private developer must build for the higher-income market to assure his profit. There are few government programs for moderate-income home buyers, and there are no rental assistance programs for them. State and locally-sponsored mortgage revenue bond financing for home purchases have proven very popular in Oakland. However, while below-market bond financing has enabled some moderate-income families to buy existing homes, it has not resulted in new home construction priced for the moderate-income market, at least in Oakland. It is possible that revenue bond financing may, in the future, be a more effective tool in producing new, moderately-priced, multi-family rental housing.

Rental Assistance Performance: HUD allocated subsidies for low-income elderly and families under the Section 8 Existing Housing program at a much lower level than the City had anticipated. Over 1,000 units of new contract allocations was expected, as shown in the last Housing Element Action Plan for 1980-1985; however, as Table 32 shows, only 462 additional allocations were received due to cutbacks in HUD's budget.

Evaluation of Housing Rehabilitation Performance: Oakland has made steady progress in the management and expansion of the City's own housing rehabilitation programs and in the use of State and local supplementary funding sources for the rehabilitation of rental properties. The City's Home Maintenance and Improvement loan output averaged 276 loans and grants per year. The City made maximum use of HUD Section 312 loans for both owner-occupied and rental rehabilitation when HUD sporadically made funds available. A total of 1,677 owner occupied homes were rehabilitated during the last four fiscal years--or an average of 419 per year.

The City also developed the administrative capacity to manage a rental rehabilitation program. Some funding was obtained under the State's SB 966 program. The Loans-to-Lender program resulted in almost 1,000 units of rental housing being rehabilitated. In 1983, the City/Bank of America multi-family mortgage revenue bonds became available. In the first year of the program's operation, 313 units were funded of which 290 benefited lower-income tenants. One hundred and ten

TABLE 32

OAKLAND'S PAST PERFORMANCE: 1980 THROUGH 1984

	1980	1981	1982	1983	1984	TOTAL[1]
New Construction						
New Units Produced	439	1401	297	335	468	2940
Net Increase in Housing Stock	288	1285	198	256	378	2405
New Subsidized Units	-	162	261	62	217	702
Family Units						
Section 8 (Rental)	-	-	40[2]	-	-	40
Section 235 (Grove/Shafter Replacement)(Owner)	-	-	-	38[3]	35[4]	73
Section 235 & CDBG (Owner)	-	-	9[5]	10[6]	-	19
Chap Progam/Manufactured Homes (Owner)	-	-	8[7]	4[7]	-	12
NHS Owner-built Housing (Owner)	-	9[8]	9[9]	-	-	18
Elderly Units (All Rental)						
Housing Authority-Turnkey	-	-	-	-	182[10]	182
Section 8/202-Disabled	-	150[17]	-	10[11]	-	160
Section 8	130	77[12]	-	-	-	207
Section 8 & CHFA Financing	-	271[13][14]	-	-	-	271
Substantial Rehabilitation/ Section 8						
Family (Coop)	-	-	89[15]	-	-	89
Elderly (Rental)		315[16]	-	-	-	315
TOTAL SUBSIDIZED UNITS (New & Substantial Rehab)	**130**	**822**	**155**	**62**	**217**	**1386**
HOUSING ASSISTANCE RENTAL SUBSIDIES (As of Jan. 1st)	3610	3692	3948	4002	4072	(1980-85 Increase) 462

HOUSING REHABILITATION	FY 80-81	FY 81-82	FY 82-83	FY 83-84	TOTALS
Owner-Occupied	259	305	768	345	1677
City's HMIP Program: (Excluding Paint Grants)					
Grants	111	160	147	262	1104
Deferred Loans	62	80	89		
Amortized Loans	63	55	75		
Vacant Housing (Purchase & Rehab)	1	7	4	8	20

OBHI	-	-	34	2	36
NHS Loans	-	2	69	73	144
Section 312 Loans	22	-	231	-	253
Urban Homestead (HUD)	-	1	119	-	120
Rental Units	87+	278+	15+	597+	1965
Section 8 Mod. Rehab (OHA)	74	272	-	-	346
Section 8 Mod. Rehab (Jubilee West/OCHI)	-	-	11	25	36
SB 966-Multi-Family (Loans)	13	6	-	-	19
Loan-to-Lender Multi-Family	n.a.	n.a.	n.a.	n.a.	988
Bank of America/Oakland Multi-Family Mort. Rev. Bonds	-	-	-	313	313
Section 312 Loans (Rental)	-	-	-	235	235
OBHI	-	-	-	24	24
CEO, Inc.	-	-	4	-	4

(1) Calendar year totals

(2) Gonaway Commons

(3) Willow Manor Townhomes (24 units

(4) Elmwood Village (49 units: 14 completed in 1983; 35 completed in 1984)

(5) Siloo, Section 235

(6) OCHI, Section 235 (5 units); Elmhurst LDC

(7) San Antonio Manufactured Homes

(8) NHS Phase I

(9) NHS Phase II

(10) Oakland Housing Authority: Oak Grove Plaza (152 units); Adell Court (30 units)

(11) West Oakland Mental Health Center (for the mentally disabled) Linden and 18th Streets.

(12) Baywood

(13) Allen Temple (76 units)

(14) Noble Towers (195 units)

(15) Oak Center Homes

(16) Hotel Oakland

(17) Valdez Plaza, Satellite Seniors

TABLE 33

ACTUAL INCREASE IN HOUSING UNITS COMPARED TO CITY GOALS AND TO NEEDS DETERMINED BY ABAG: OAKLAND, 1980-1985

		CITY GOALS		ABAG DETERMINATION	
	Actual	Number	Difference	Number	Difference
Net Increase In Housing Units	2,405	2,750	-345	2,727	-322
Increase In Subsidized Units	1,386	1,750	-364	1,582	-196
Moderate-Income [1]	122	750	-628	382	-260
Low-Income and Very Low-Income [2]	1,264	1,000	+264	1,200	+64

[1] This assumes that moderate-income units are only created by subsidized ownership programs (Section 235, CHAP, NHS).

[2] These two categories are combined because income breakdown of occupants of subsidized rental housing developments are not available.

units were subsidized with a special allocation of HUD rental assistance payments. In total, 1,965 rental units were rehabilitated under various programs over the last four years, an average of 491 units per year.

Anticipated Subsidized Housing Activity

The volume of subsidized housing production that Oakland experienced from 1980 through 1984 of 1,256 units--or an average of 251 units per year--is not expected to continue. The primary reason is the death of Section 8 rental assistance subsidy for new and substantially rehabilitated lower-income housing. While Oakland was successful in the competition for the first round of HODAG funding in October, 1984 ($2.755 million was committed to help fund 142 units), HODAG and its companion Rental Rehabilitation grants will not be funded by Congress on the same level as the old Section 8 programs. Without the long term rent subsidies that the federal government formerly provided, substantial local subsidies are required to produce lower-income housing in Oakland. Oakland has resorted to using tax-increment funds, CDBG grants and loans, and contributions of city-owned surplus land to make up for the lack of federal subsidies. A multi-family mortgage revenue bond issue for new rental construction is now being prepared. Interest rates are, of course, another variable factor which affects the City's ability to produce lower-income housing but is entirely beyond the control of the City. The nation's economic experts cannot agree on the future trends in interest rates. Even the size of the federal deficit has an effect on Oakland's housing production. Mortgage revenue bonds, while extended by Congress until 1988, are an indirect contributor to the deficit and, as such, are likely to be prohibited if the deficit grows too large. While Oakland continues to use State housing subsidy programs, the funds are limited and the competition is intense.

A summary of major proposed subsidized housing developments that are likely to be completed within the next two to three years is presented below. These projects represent 596 units of lower-income housing and at least 114 units of moderate and above moderate-income housing.

I. New Subsidized Rental/Coop Housing

A. Projects Approved:

1. Oaks Hotel, 587 15th Street, 81 units.

   Rehabilitation of an historic hotel to provide 81 lower-income, single-occupancy units with restaurant and commercial space. OCHI is the developer and funding sources are: a $405,000 loan from City HODAG funds, a State Special User Housing Rehabilitation Program grant (SUHRP), a loan from the City Center Replacement Housing Fund, and possible syndication. Construction is to start in 1985.

2. San Antonio Apartments, 20th Avenue and East 14th Street, 20 units.

   OCHI is building 20 lower-income rental apartments on a site bought by the City. Funding sources include: CDBG for site purchase, a $400,000 loan from City HODAG funds, City Center tax increment funds, and City multi-family revenue bond financing. Construction

should start in 1985.

3. Nueva Vista, 37th Avenue and East 14th Street, 30 units.

   OCHI is constructing a 30-unit limited equity cooperative for low and moderate-income families. Funding sources are: CDBG for land costs, a $600,000 loan from City HODAG funds, City Center tax increment funds, and City multi-family revenue bond financing. Construction is underway.

4. Foothill Plaza, 6301-6327 Foothill Boulevard, 54 units.

   Twenty percent of the units in this privately-sponsored 54-unit rental apartment development will be rented to lower-income households because of a $1.35 million loan of City HODAG funds, thus lowering the project's costs.

B. Projects Awaiting HUD Funding:

1. Beth Eden/Ecumenical, 35th and MacArthur, 40 units.

   The Beth Eden Baptist Church proposes to build 40 units of elderly rental housing on a City-owned parcel. Funding sources include: a site cost write-down from the City, a loan from tax increment funds, and HUD Section 8/202 mortgage financing and rent subsidies. Their first application for federal subsidies was rejected in 1984.

2. Greek Orthodox, on property adjacent to church, 49 units.

   This is a church-sponsored elderly housing project. The sponsors have contributed the site and a cash subsidy. The City will commit tax increment funds provided federal funding is obtained. Their first application for HUD Section 8/202 funds was rejected in 1984.

C. Other Rental Housing Developments In Process:

1. East Bay Asian Local Development Corporation (EBALDC), no site yet, 140 units.

   This nonprofit community group intends to develop 140 units of family housing near Oakland's Chinatown. Seventy units will be affordable by very low and lower-income families. The City has committed $4 million in tax increment funds for site acquisition and multi-family revenue bond financing. Additional funding sources are needed. Negotiations for an option on a site should be completed by the end of 1984.

D. Private Projects With Revenue Bond Financing:

   Oakland is in the process of preparing for the sale of $15.4 million in Multi-Family Mortgage Revenue Bonds for new rental housing. In addition to the publicly-supported developments mentioned above, several privately-sponsored rental projects will be eligible for this favorable long-term financing. In return for the below-market financing, 20 percent of the rental units must be affordable to lower-income tenants for at least 10 years.

II. New Subsidized Ownership Housing

1. 35th Avenue Surplus Land, 31 units.

   Two acres of surplus City-owned land will be used for 34 units of owner-occupied housing of which 31 units will be sold to low and moderate-income families. A developer has already been selected.

2. CHAP Manufactured Homes, 5 units.

   In late 1984, Oakland received a commitment from the State for $168,000 in home-equity subsidies under the CHAP program. The City will contract with a private developer to build approximately five manufactured homes for sale to lower-income families under this program.

3. NHS Owner Built Homes - III, 73rd Avenue and Rudsdale, 8 units.

   NHS is requesting CDBG funds to help subsidize Phase III of their successful owner-built housing program. They want funds to help reduce the cost of eight townhomes for lower-income families.

4. Organized People of Elmhurst Neighborhoods, 8 units.

   This community based organization has been funded with $165,000 in CDBG funds to help subsidize the construction of eight in-fill single-family homes for lower-income buyers.

5. Evergreen Terrace, East 12th Street and Third Avenue, 80 units.

   Evergreen Baptist Church and OCHI are developing 80 units of elderly rental housing on a Redevelopment Agency site. CDBG funds have been used for a predevelopment loan, and tax-increment funds are writing down the costs. HUD has approved a Section 8/202 application for financing and rent subsidies. Construction is underway.

6. Allen Temple Arms, Phase II, 82nd Avenue and East 14th Street, 51 units.

   This is a church-sponsored elderly rental project adjacent to an earlier project for 75 units. The City has contributed the site and a predevelopment loan. After three previous rejections, their application for HUD Section 8/202 subsidies was approved in October 1984. Construction should start in early 1985.

7. Victoria Plaza (St. Marks Hotel), 12th and Franklin Streets, 100 units.

   This project involves the substantial rehabilitation of a former hotel into 100 senior housing units. The project was delayed for several years due to the financial problems of the former owner. The new owner is currently proceeding with the project. Section 8 rental subsidies are committed to the developer.

8. East Bay Transitional Homes, 79th Avenue and MacArthur Boulevard, 12 units.

   This will be a group home for the mentally disabled; it is sponsored by Bay Area Community Services and OCHI. Funding is from HUD Section 8/202 subsidies and $50,000 in City tax increment funds.

The Action Plan For Housing: 1985-1990

Table 34 presents a numerical estimate of housing units to be developed and rehabilitated and existing units to be subsidized over the next five years. Only housing serving low and moderate-income households is shown since that is the only segment of the market where the City can exert a direct influence. A detailed breakdown by year and source of funding is provided in Appendix E. Many of the units and programs in Table 34 have been previously described in detail.

The figures in Table 34 represent the maximum probable amount of housing activity that is reasonable to project given the lack of commitment and low priority that subsidized housing has under the present Administration. The estimates for 1985 and 1986 are the most reliable, while those of the last two years are very problematic. In preparing these estimates the following assumptions were made:

1. HUD's Section 8/202 program for new construction for the elderly and handicapped will continue to be available.

2. Legal authority will exist throughout the period for the City to issue mortgage revenue bonds for the financing of single-family and multi-family new construction and existing home purchases.

3. There will be continued availability of HUD's HODAG, Rental Rehab, and Section 312 program funds.

4. Funding of HUD's Community Development Block Grant program will not decrease, thus allowing the City's owner-occupied home rehabilitation program to continue operating at its current level.

TABLE 34

THE OAKLAND HOUSING ACTION PLAN: 1985 THROUGH 1989

	1985		1986		1987		1988		1989		FIVE-YEAR TOTAL		
	Low	Mod	Low	Mod	Low	Mod	Low	Mod	Low	Mod	Low	Mod	TOTAL
New Construction	203	300	156	363	256	694	205	320	255	620	1,075	2,297	3,372
Ownership	30	300	25	0	56	304	25	0	25	300	161	904	1,065
Rental	173	0	131	363	200	390	180	320	230	320	914	1,393	2,307
Rehabilitation	815	0	471	0	345	0	445	0	345	0	2,421	0	2,421
Owner-Occupied	275	0	301	0	275	0	275	0	275	0	1,401	0	1,401
Rental	540	0	170	0	70	0	170	0	70	0	1,020	0	1,020
Household Assistance	516	360	100	0	215	360	100	0	140	360	1,071	1,080	2,151
Owner	40	360	0	0	40	360	0	0	40	360	120	1,080	1,200
Renter	476	0	100	0	175	0	100	0	100	0	951	0	951

5. The Section 8 Existing program will be phased out and replaced totally by rental vouchers. New rental voucher authority will be allocated to the Housing Authority in modest amounts. There will be no funds for new public housing construction.

Conservation of Affordable Housing Units: A projection of the number of affordable housing units that will be conserved over the period of the action plan is required by State law. The number of units to be conserved cannot be quantified precisely because many City regulations and programs that serve to preserve affordable housing do not yield numerical results. These include residential rent arbitration regulations, condominium and residential-to-nonresidential conversion controls, controls on the demolition of rooming units, and the housing inspection services. It is impossible to say how many units would become higher-income housing, convert to commercial use, or be demolished if these controls were not in place. The identifiable number of units which will be conserved from 1985-1990 are estimated in Table 35.

TABLE 35

AFFORDABLE HOUSING UNITS TO BE CONSERVED: OAKLAND, 1985-1990

	LOWER INCOME	MODERATE INCOME
Existing Section 8 Units As of January, 1984	4,072	-
Additional Section 8 & Voucher Units & New Public Housing (1985-1990)	951	-
Housing Authority Owned Units as of September, 1984	3,324	-
Other Subsidized Rental Housing as of September, 1984	4,621	-
Purchase Assistance For New and Existing Homes (1985-1990)	282	1,984
TOTAL UNITS TO BE CONSERVED	13,250	1,984

The Adequacy of the Action Plan

There are a number of standards by which the Action Plan may be reasonably measured. From the standpoint of those families who are denied decent, safe, and sanitary housing, or those renters who will remain frustrated by the high cost of purchasing a home in Oakland, the Plan is, of course, inadequate. When viewed in relation to the numerous constraints the City is facing, however, Oakland's housing effort may be considered a comprehensive attempt to use virtually every approach at its disposal to meet the City's housing need.

The City's Action Plan is also generally adequate in relation to ABAG's estimates of the need for new low and moderate-income housing in Oakland. The Action Plan's net increase in these categories (3,372 units) is only 126 units less than the ABAG estimate of need.

It is difficult to fully assess the adequacy of the City's assisted rehabilitation effort as ABAG has not established a target for the community, and accurate information on the condition of the stock occupied by low and moderate-income households is not available. As there presently are at least 10 separate rehabilitation programs active in the City, including ones involving both owner-occupied and rental units, conservation activities clearly are receiving a high priority.

In conclusion, the Housing Action Plan may be considered adequate when judged according to any reasonable criterion. While the programs and actions undertaken by the City may not be

successful in substantially ameliorating all housing problems in Oakland, they constitute a coherent program representing a maximum effort in that direction.

THE HOUSING ASSISTANCE PLAN (HAP)

The Housing Assistance Plan (HAP) contained in the City's Community Development application is Oakland's prime coordinating tool between municipal implementation and Federal and State funding sources for housing.

As such, it is considered integral to the function of the housing element and is considered an official part of the document. As part of the element, the HAP helps bridge the potential gap between City housing policy and program implementation.

Because the Housing Element is published at infrequent intervals, the inclusion of the annual HAP provides current data on the City's housing goals for assisted housing, current locations for proposed housing for lower income persons, current estimates of condition of the local housing stock, and current estimates of housing needs of low and moderate-income households in Oakland. The inclusion of the HAP also provides a short-range action plan for the City's housing programs. The overall function of the HAP is to link the City's housing activities closely into the community development and comprehensive planning processes and to put new emphasis on local housing services.

Appendix A

Operating Standards Related To Publicly-Assisted Housing Policies

The following sets forth the operating standards and exceptions that relate to the policies contained in Chapter 6 dealing with publicly-assisted housing. Supplementing nearly each policy are one or more operating standards; these are more specific statements--sometimes statistical in nature--which more easily permit the policies to be put in action. In addition to policies and operating standards, there are also special operating exceptions. These exceptions take into account the fact that an across-the-board application of some standards may be inappropriate and thus should not be applied in certain situations.

All the policies are repeated in this appendix for a more complete understanding of the total system.

OVERALL POLICY

1. Housing constructed with, or otherwise receiving, public assistance should be distributed to provide broader housing choices and to fit harmoniously into its immediate surroundings without impacting the neighborhood, its schools, or other public facilities serving it.

CITYWIDE POLICIES AND STANDARDS

Census Tract Capacity Policy

2. To give a greater choice of housing locations for low and moderate-income households and to limit the concentration of publicly-assisted housing in any one area, new assisted units will generally be allowed only in census tracts which have remaining capacity for such housing.

Related Operating Standard

At this time publicly-assisted units will be limited to eight percent of the total housing units in each census tract.

Family Housing Policy

3. The City will use a school capacity rating and a publicly-assisted housing concentration rating to determine where future assisted family housing will be allowed and the relative priorities of areas for receiving such housing.

Related Operating Standard

The City will use the priority system as shown in Table A as a basis for choosing among proposals for assisted family housing and as a general indication of locational preferences. (The letters H, M, and L are used to indicate High, Medium, and Low priorities respectively, while "None" indicates that no more assisted housing is recommended.)

Elderly Housing Policy

4. Publicly-assisted elderly housing may be developed throughout the City, limited only by the remaining capacity for additional assisted housing in any particular census tract. However, in census tracts where both publicly-assisted family and elderly housing may be developed, family housing should have priority since site locations available for this kind of household are more limited.

Related Operating Standard

In census tracts where assisted family housing is allowed, the number of new elderly housing units will be limited to 25 percent of the remaining tract capacity or one project, whichever is larger.

Exceptions to Citywide Standards

The above policies and standards represent a general approach to assisted housing distribution which, when applied in specific cases, may be inappropriate or conflict with other City goals. The following special operating exceptions are designed to prevent inappropriate application of the guidelines under certain circumstances.

The City's goal of achieving and maintaining a totally standard housing stock shall take priority over the City's assisted housing distribution policies. Therefore, assisted housing programs which are specifically designed to transform substandard into standard housing are not to be restricted by assisted housing distribution operating standards.

The unique character of the Oakland Central District makes it particularly suited to housing for the elderly. Therefore, assisted elderly housing will not be restricted by citywide distribution standards in Oakland's Central District.

The Section 8 "Existing" Rental Assistance Program allows program participants to seek their own housing unit on the private market. The unit's location should be consistent with each individual family's preferences as to types of neighborhood, schools, racial and ethnic mix, community facilities, and general environment. In most cases, the program will result in one subsidized unit per location. For these reasons, the Section 8 "Existing" program will not be subject to citywide distribution requirements.

NEIGHBORHOOD LOCATIONAL POLICIES AND STANDARDS

Land Use and Zoning Policy

5. Any addition to the publicly-assisted housing supply should now, and in the future, blend in and be compatible with surrounding development as to use and density. Its conformity or nonconformity to existing zoning regulations, while important to consider, should not necessarily preclude its evaluation.

Elderly Housing Policy

6. Publicly-assisted housing for the elderly should be within walking distance of a bus stop, a supermarket, a drugstore, and a laundromat unless the service is provided within the project itself. Steep slopes, unusual danger from crime, or isolation from necessary services should be vigorously avoided in locating an elderly housing development. Access to other services such as churches, a bank, a post office, a department store, a barber shop, a beauty parlor, and a social center should also be considered in assessing the location of a proposed project.

Related Operating Standards

Publicly-assisted housing for the elderly should be located within two blocks of a bus stop and in no case should be more than one-quarter mile from a bus stop unless transportation is provided by the development.

Publicly-assisted housing for the elderly should be located within one-quarter mile of a supermarket and within one-half mile of a laundromat and a drugstore.

The terrain between the front door of a proposed publicly-assisted elderly housing project and a laundromat should be relatively flat. A developer proposing to put elderly housing in a hilly area should have evidence from medical experts that the slopes which residents have to climb are not steep enough to threaten their health.

A "safety rating" provided by the Oakland Police Department should be used in assessing proposed locations for publicly-assisted housing for the elderly.

Family Housing Policy

7. Residents of publicly-assisted family housing should have convenient access to transportation, shopping, recreation, shopping, parks and recreation areas, child care centers, and elementary schools schools within the neighborhood.

Related Operating Standard

Publicly-assisted family housing should be developed on sites within one-quarter mile of as many of the following facilities as possible: transit stops, shopping facilities, a park or recreation area, an elementary school, and a child care center.

TABLE A

CENSUS TRACT PRIORITIES FOR ASSISTED FAMILY HOUSING BY SCHOOL CAPACITY RATINGS AND CONCENTRATION LEVELS

Elementary School Ratings[1]	Existing Assisted Housing Concentration Levels[2]		
	High	Moderate	Low
Under Capacity	L	M	H
At Capacity	None	M	H
Overcrowded	None	None	M
Seriously Overcrowded	None	None	None

[1]School capacity ratings are based on the permanent school capacity versus present enrollment as measured by the number of students in portable classrooms. "Under Capacity" means that there are no portables; "At Capacity" means that up to 10% of students are in portables; "Overcrowded" means that up to 25% of students are in portables; and "Seriously Overcrowded" means that over 25% of students are in portables.

[2]Concentration levels are determined by using a rank ordering of the assisted housing proportion of the housing stock in each census tract. The levels of concentration are derived by dividing the rank order of tracts into thirds, with the third of the tracts with the lowest percentage of assisted housing designated a "Low" concentration; those in the middle third, a "Moderate" concentration; and the top third a "High" concentration of assisted housing.

NEIGHBORHOOD SPACING POLICIES AND STANDARDS

Neighborhood Policy

8. Assisted family housing projects should be adequately spaced to ensure that the negative consequences of impacting a relatively small area (neighborhood) will not occur.

Related Operating Standard

The City will use the "Spacing Operating Standards Matrix" shown in Table B as the basis for deciding whether a proposed assisted family housing project meets the City's spacing policy.

Block and Blockface Policy

9. In general, not more than one parcel containing assisted family housing should occur in the same block or in the two blockfaces having a common street frontage (the area abutting both sides of a street between two intersecting streets).

Related Operating Standards in Special Situations

If an assisted housing development is proposed or is already located on a corner parcel, the affected area (for purposes of applying the basic policy) would comprise the block in which the parcel is located, the two opposite blockfaces, and those portions of the blockfaces in the two opposite blocks and in the block diagonally across from the corner parcel that measure 200 feet from the center of the intersection.

In large rectilinear or curvilinear blocks, an assisted housing development should be no nearer than 500 feet to another assisted housing development in the same block or in the opposite blockface.

Exceptions to All Spacing Standards

Spacing standards shall not apply to the following:

Proposed assisted elderly projects.

One-unit projects or to the renting (under Section 8) of one unit in a building--unless one or more units are already rented in the building. (However, all such units will be counted in determining how many assisted units already exist in a specifically affected area.)

Across major physical barriers. (Existing assisted units that are located within the rectangle, but that are separated from a proposed project by a major physical barrier, will not be counted as being in the "affected" area.)

PROJECT DEVELOPMENT POLICIES AND STANDARDS

The site and project design guidelines were for the most part taken from the report Public Housing Site Selection and Development Guidelines, adopted by the City Planning Commission in 1968 and revised in 1972.

Project Size Policy

10. The size of an assisted housing development should be limited so that it does not adversely affect abutting properties or the immediately surrounding area but yet is of sufficient size to allow feasible development and flexibility in design. New family housing projects to be owned and operated by The Oakland Housing Authority should, however, be limited at any one location to twelve bedrooms in any combination up to six units.

Related Operating Standard

The maximum number of family assisted units at any one location should be limited to 100 bedrooms in any combination up to 50 units.

Site and Project Design Policies

11. The location, design, and site planning of assisted housing development should provide a functional, convenient, and attractive living environment for its occupants.

TABLE B

SPACING OPERATING STANDARDS MATRIX

If The Total Proposed Project Is Between (Number of Housing Units)	Then The Number of Total Units (Existing Units Plus Units In the Proposed Project) Located Within The Specified Rectangle And All Succeeding Larger Rectangles (Centered On The Project Site):		
	Whose Dimensions In A High-Density Area Are:	Or Whose Dimensions In A Low-Density Area Are:[1]	Cannot Exceed This Number of Housing Units[2]
2 thru 8	400 x 800	600 x 1200	8
9 thru 20	600 x 1200	1000 x 1600	20
21 thru 50	1000 x 1600	1400 x 2000	50
51 thru 80	1400 x 2000	Projects of This Size Are Not Permitted In a Low Density Area	80

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[1]A high-density area is one which averages approximately 15 units or more per net residential acre.

[2]A low-density area is one which averages approximately 14 units or less per net residential acre.

MATRIX EXPLANATION AND EXAMPLE

If the proposed project is for 15 units in a high-density area, then starting with the specified rectangle, 600 x 1200, centered on the site, there cannot be more than five existing units, in addition to the proposed 15, within the rectangle. In addition, the proposed project must be evaluated against all succeeding rectangles: no more than 35 existing units (50 less 15) in the 1000 x 1600 rectangle and no more than 65 units (80 less 15) in the 1400 x 2000 rectangle. It obviously does not have to meet the test in any rectangle smaller than the specified rectangles. If adding 15 units, as proposed, exceeed the maximums in any of the rectangles, the proposed project size would have to be reduced accordingly in order to meet this guideline.

12. The buildings, grounds, and landscaping of assisted housing should be developed and maintained at a level which would not adversely affect the livability or appropriate development of abutting properties or the immediately surrounding area.

Related Operating Standards

Site Selection

Sites for assisted family housing should not be located on arterial streets. Sites for assisted elderly housing may be located on arterials and should be near good public transportation and other conveniences.

Lot width should be at least 40 percent of lot depth for all lots less than 75 feet wide.

Overall Appearance and Building Design

The building or buildings and their related open spaces should be carefully related in massing, site composition, materials, and color to the surrounding buildings, open spaces, and permanent landscaping.

Where common entrances or lobbies are used, they should be designed to minimize the danger of free access by unwanted visitors. Windows should not be too close to the ground and should be capable of being secured even in a partially open position in order to reduce the danger of unlawful entry.

Usable Open Space Areas

The placement of the building or buildings on the lot should be such as to maximize usable open space areas. Rear yards rarely function well as usable open space unless they are at least 20 to 25 feet deep.

Group usable open space should be of such a size and shape that a rectangle inscribed within it shall have no dimension of less than 15 feet. Long narrow spaces are unacceptable. It shall be increased by 30 square feet of contiguous area for each additional bedroom beyond two bedrooms in each unit.

Several kinds of open spaces should be provided on a lot such as an area for mothers with babies and an active recreation area for the 6-to-12-year olds.

All open space and recreational areas should be suitably surfaced. Loose material--such as gravel, sand, bark, etc.--should be avoided. At least one-half of the group usable open space should be grass.

All usable open space areas should be reasonably level. Slopes of over ten percent should be terraced.

If recreational areas are adjacent to parking areas, garbage areas, or the street, they should be screened by a solid or grille, lumber or masonry fence at least three and one-half feet high, or by dense landscaping at least three and one half feet high and three feet wide.

Recreational areas should be screened from abutting lots by a solid lumber or masonry fence or wall at least five and one-half feet high or by dense landscaping at least five and one-half feet high and at least three feet wide.

Landscaping, Fencing, and Screening

It is recommended that whenever landscaping is required, a durable grass be installed together with a suitable sprinkler system. This would apply to all areas at least 5 feet wide, especially those that might be used by children. Sprinklers could be operated by the "resident maintenance person."

Ground cover, such as ivy, is appropriate along strips, one or two feet wide, along fences, walls, or buildings. Fences surrounding parking areas could be made highly attractive with plants such as ivy or pyracantha.

If larger areas are to be landscaped with something other than grass, suitable plants resistant to children should be planted.

The space between the parking space and the public sidewalk should be planted with durable, child-resistant plant materials.

All trees to be planted should be mature or hardy enough to resist children. For example, a trunk at least 1-1/2 inches thick (at a point 3 feet off the ground), might be adequate.

Loose ground cover (such as bark, gravel, or sand), susceptible to being carried away should be avoided.

Where landscaping is used in place of a fence or wall, the Zoning Regulations' standards should be followed.

The area between the sidewalk and street curbing should be concrete and contain appropriate street trees.

All fences should be well constructed. Boards or planks, when used, should be at least one inch thick (3/4 inch finished) and painted with at least two coats of penetrating wood stain. Grape stake fences are completely inadequate, because the stakes can be knocked out quite easily.

All fences should be properly maintained and mended when necessary.

All perimeter fences should be solid (not open type). Internal fences may be up to 30 percent open.

The lot should be provided with adequate screening at the side and rear lot lines by a fence, wall, or landscaping at least five and one-half feet high. For screening at or near street lines, when parking area is visible, see Parking Area recommendations.

Fences between the parking area and the sidewalk should be either masonry or chain-link with redwood slats.

Parking Areas

Whenever possible parking areas should be physically separate from pedestrian access areas. In cases where separate pedestrianways cannot be provided, a different surface treatment (such as exposed aggregate) would indicate the extent of the pedestrian access areas.

All parking areas should be provided with screening or separation elements as follows:

a. Screening from the street or adjacent recreational areas: by a solid or grille, masonry wall or chain-link/redwood slat fence three and one-half feet high or by dense landscaping three and one-half feet high and at least three feet wide.

b. Screening from abutting lot: same as on side or rear lot lines (see Landscaping, Fencing and Screening above).

c. Separation from all other areas: by a 6" raised concrete curb, preferably a step-up rather than step-over curb.

Opening into parking areas at the front property line should not exceed the permitted curb cut in width to provide maximum screening at the front property line.

No more than three cars should be parked in a manner that requires them to be backed across the sidewalk.

Whenever possible, the perimeter of the parking area should be provided with landscaping (such as climbing ivy) along the perimeter fence.

All parking spaces should be provided with permanently affixed wheel stops and should be striped and individually numbered; each tenant owning a car should be assigned a space.

Appendix B

Energy Conservation Section of the Oakland Housing Element

The City of Oakland is strongly committed to energy conservation as an integral part of its housing development strategy. Approaches are being pursued to conserve energy both in the development of new housing and in the improvement of existing housing.

Oakland is using a variety of methods to conserve energy in new housing development. A major one is the encouragement of new higher-density housing where it is consistent with the preservation of neighborhood quality and other goals set forth in the Housing and Land Use Elements. Such housing would also lessen transport-energy use since residents could walk or use public transportation for their journey to work.

Oakland is also working actively to increase housing in its central area. The City has required that the developers of the City Center project include housing as part of the development. Such housing would be immediately adjacent to major centers of employment in Oakland.

The City is also seeking to develop higher-density housing in the areas surrounding stations of the Bay Area Rapid Transit System. There are eight stations within Oakland. The City will cooperate with BART staff who are assigned to work on station area housing development.

On a citywide level, the Land Use Element and the Zoning Ordinance encourage high-density residential construction in a number of areas. These include the Central District, the Lake Merritt, and the Piedmont areas. Such construction is also permitted in a number of important transit corridors such as MacArthur Boulevard, Bancroft Avenue, Fruitvale Avenue, and others (see Map 4 on Page 83 in the Land Use Element, "Generalized Zoning"). In particular, the Land Use Element identifies a number of areas and sites where increased density development may be possible, including the MacArthur-Broadway area, the San Pablo gateway area in the Central District, and the Fruitvale Avenue/East 14th Street area (see the Land Use Element's overlay of Map 2 on page 17, "Alternate or Longer-Run Uses"). The Land Use Element also supports the construction of planned unit developments (PUD's) in low-medium to medium-density residential zones in the Oakland Hills. The Zoning Ordinance allows these PUD's to incorporate up to 33 percent more dwelling units than the otherwise allowable maximum. None of the measures discussed in the above paragraphs increase housing costs.

All agencies in Oakland concerned with housing are taking steps to conserve energy in existing housing. The Department of City Planning published an award-winning homeowner's guide to energy-conserving home rehabilitation techniques called Retrofit Right. The Office of Community Development, charged with the conservation of existing housing, also has administrative policies for energy conservation. All rehabilitation loans and grants administered by the office now require, within the realistic financial limits of each rehabilitation project, insulation and building envelope tightening as high priority items. In addition, rehabilitation staff have been trained in state-of-the-art energy auditing and conservation techniques. And finally, the Oakland Housing Authority is

pursuing an active energy conservation policy of retrofitting its units to lessen both building envelope and hot water heating energy loss. The Authority is also evaluating the cost effectiveness of further energy conservation projects.

Appendix C

SELECTED PROVISIONS OF THE ZONES IN THE OAKLAND PLANNING CODE

City of Oakland

ZONING SUMMARY

■ Uses Permitted Outright or

▨ If Conditional Use Permit Granted (See Code text for unlisted uses.)

The most basic elements of the Zoning Regulations are summarized here to cover frequently sought information. Use this chart only as a quick reference. Development decisions and information on parking, yards, open space, and special provisions such as conditional use permits, etc. should be based on a review of the full Zoning Regulations or contact with staff of the Zoning Division, 2nd Floor, City Hall, #One City Hall Plaza, 273-3911.

		One-Family Dwelling	Two-Family Dwelling	Multi-Family Dwelling	Mobile Home Park	Public Office Building	Hospital	Doctors' Office Building	Administrative Offices	General Food Sales	Alcoholic Beverage Sales	General Retail Sales	Gas Station	Motel or Hotel	Research Service	Wholesaling	Custom Manufacturing	Light Manufacturing	General Manufacturing	Heavy Manufacturing	Billboard	Convenience Market/Fast Food	Restaurant	Size Restriction on Some or All Commercial Uses	Special Controls on Ground-Floor Establishments	Design Review: Construction, Remodeling	Design Review: Demolition	Minimum Size of New Residential Lot (sq. ft.)[a]	Minimum Lot Area (sq. ft.) Per Regular Dwelling Unit[a]	Maximum Floor-Area Ratio: Residential	Maximum Floor-Area Ratio: Nonresidential	Maximum Height in Feet (and Stories)[a]
RESIDENTIAL	R-10 ESTATE																											25,000	25,000[b]			30′
	R-20 LOW DENSITY																											12,000 a	12,000 a,b			30′
	R-30 ONE-FAMILY																											5,000	5,000 b			30′
	R-35 SPECIAL ONE-FAMILY																											5,000	2,500 b			30′
	R-40 GARDEN APARTMENT																											5,000	2,500 b,c			30′
	R-50 MEDIUM DENSITY																											4,000	1,500 a,c			30′
	R-60 MEDIUM-HIGH DENSITY																									X[i]		4,000	800 c,d,e		1.50 d,e	40′
	R-70 HIGH DENSITY																									X[i]		4,000	450 c,d,e,f		2.25 d,e	a
	R-80 HIGH-RISE APARTMENT [j]																							X		X[i]		4,000	300 c,d,e,f	3.50 d,e,f	3.50 d,e	
	R-90 DOWNTOWN APARTMENT [j]																							X		X[i]		4,000	150 c,d,e	7.00 d,e	7.00 d,e	
COMMERCIAL	C-5 NEIGHBORHOOD SERVICING																							X	X	X		4,000	2,500 b,c			30′
	C-10 LOCAL RETAIL																							X				4,000	1,500 a,c			45′
	C-20 SHOPPING CENTER																									X		4,000	1,500 a,c			45′
	C-25 OFFICE																							X				4,000	450 c,d,e,f		2.00 d,e	a
	C-27 VILLAGE																								X	X		4,000	450 c,d,e,f			45′
	C-30 DISTRICT THOROUGHFARE																											4,000	450 c,d,e,f			a
	C-31 SPECIAL RETAIL																							X	X	X		4,000	450 c,d,e,f			35′
	C-35 DISTRICT SHOPPING																											4,000	450 c,d,e,f		3.00 d,e	
	C-36 BOULEVARD SERVICE																											4,000	800 c,d,e		2.50 d,e	
	C-40 COMMUNITY THOROUGHFARE																											4,000	450 c,d,e,f		3.00 d,e	
	C-45 COMMUNITY SHOPPING																											4,000	300 c,d,e,f	4.00 d,e,f	4.00 d,e,g	
	C-51 CENTRAL BUSINESS SERVICE [j]																											4,000	150 c,d,e	7.00 d,e	7.00 d,e,g	
	C-52 OLD OAKLAND																								X			4,000	300 c,d,e,f			50′
	C-55 CENTRAL CORE																											4,000	150 c,d,e	7.00 d,e		
	C-60 CITY SERVICE																							X								
INDUSTRIAL	M-10 SPECIAL																														0.50	
	M-20 LIGHT																							X								45′
	M-30 GENERAL																							X								
	M-40 HEAVY																							X								
SPECIAL	S-1 MEDICAL CENTER																							X		X		4,000	300 c,d,e,f	4.00 d,e,f	4.00 d,e	
	S-2 CIVIC CENTER [j]																							X				4,000	300 c,d,e,f	3.50 d,e,f	3.50 d,e	
	S-3 RESEARCH CENTER																									X					0.50	a
COMBINING	S-4 DESIGN REVIEW																									X						
	~~S-5~~ Deleted by Ordinance 10807 C.M.S.																															
	S-6 MOBILE HOME PARK																											a	a			
	S-7 PRESERVATION																									X	X					
	S-8 URBAN STREET																								X	X						
	S-9 RETAIL FRONTAGE																								X							
	S-10 SCENIC ROUTE																									X		a	a			a
	S-11 SITE DEVELOPMENT REVIEW																									X		a	a			a

a. See details or exceptions in Planning Code text.

b. Less is required for units on certain existing undersize lots.

c. May be up to 75 per cent more units in senior citizen housing.

d. May be 10 per cent more units (or floor area) on corner lot or lot facing park.

e. May be up to 50 per cent more units (or floor area) if development rights acquired from neighboring lots and conditional use permit granted.

f. May be up to 50 per cent more units (or floor area) in high-rise housing if conditional use permit granted.

g. May be up to 15 per cent more floor area if sufficient plaza provided.

h. A greater height may be allowed via conditional use permit.

i. Required only for residential projects of 5 more new units.

j. Conditional Use Permit required for developments over 100,000 square feet or over 120′ in height other than Planned unit Developments.

Appendix D

TABLE 36

HOUSING UNIT CHANGES BY TYPE OF BUILDING: OAKLAND, CALIFORNIA
April 1, 1970 to April 1, 1980

	GAINED*						LOST**						NET CHANGE					
	TOTAL	ONE-UNIT	2	3-4	5-9	10+	TOTAL	ONE-UNIT	2	3-4	5-9	10+	TOTAL	ONE-UNIT	2	3-4	5-9	10+
									As of April 1, 1970				146,608	71,774	13,942	17,157	11,597	32,138
9 Mos 1970	860	61	12	78	171	538	588	202	136	70	86	94	272	-141	-124	8	85	444
1971	1,613	90	32	100	81	1,310	772	281	142	85	119	145	841	-191	-110	15	-38	1,165
1972	1,735	187	28	111	168	1,241	760	268	144	65	66	217	975	-81	-116	46	102	1,024
1973	812	182	0	19	11	600	502	268	100	55	35	44	310	-86	-100	-36	-24	556
1974	1,039	127	6	17	14	875	324	139	92	34	34	25	715	-12	-86	-17	-20	850
1975	860	138	2	4	22	694	315	149	62	42	38	24	535	-11	-60	-38	-16	670
1976	1,036	148	6	0	288	594	241	105	64	25	17	30	795	43	-58	-25	271	564
1977	307	223	6	11	0	67	184	88	24	32	8	32	123	135	-18	-21	-8	35
1978	458	341	2	6	25	84	183	94	34	14	14	27	275	247	-32	-8	11	57
1979	570	239	6	4	21	300	244	55	14	7	32	136	326	184	-8	-3	-11	164
3 MOS 1980	192	53	4	4	0	131	84	30	14	10	9	21	108	23	-10	-6	-9	110
10-Yr TOTAL	9,482	1,789	104	354	801	6,434	4,197	1,679	826	439	458	795	5,285	110	-722	-85	343	5,639
									As of April 1, 1980				151,893	71,884	13,220	17,072	11,940	37,777

Source: Oakland City Planning Department based on Building Permit information.
* Includes: new construction, conversions, and house moves.
**Includes: demolitions, conversions, and house moves.

TABLE 37

HOUSING UNIT CHANGES BY TYPE OF BUILDING: OAKLAND, CALIFORNIA, 1982, 1983, and 1984

	GAINED*							LOST**							NET CHANGE						
YR	TOTAL	one-unit	2	3-4	5-9	10-19	20+	TOTAL	one-unit	2	3-4	5-9	10-19	20+	TOTAL	one-unit	2	3-4	5-9	10-19	20+
82	297	182	6	24	10	0	75	99	40	12	18	5	0	24	198	142	-6	6	5	0	51
83	335	167	14	16	16	29	93	79	34	16	15	0	14	0	256	133	-2	1	16	15	93
84	468	164	12	38	25	0	229	90	32	24	12	6	16	0	378	132	-12	26	19	-16	229
TOT	1,100	513	32	78	51	29	397	268	106	52	45	11	30	24	832	407	-20	33	40	-1	373

Source : Oakland City Planning Department based on Building Permit information.
*Includes: new construction, conversions, and house moves.
**Includes: demolitions, conversions, and house moves.

Appendix E

Annual Action Plan--Explanation and Assumptions

All of the projected housing unit totals are predicated upon the availability of specific subsidies. Should any of the described programs become unavailable or associated subsidies withheld, activity levels will be correspondingly reduced. The severe fiscal constraints confronting Oakland will prevent the City from increasing program funding significantly above present levels of local participation should the described subsidies be terminated.

NEW CONSTRUCTION:

A. Ownership Housing

- 1985: 30 lower-income units; 300 moderate-income units.

  For lower-income families, there will be 10 owner-built homes under NHS sponsorship, five homes under the CHAP program, and 15 homes built under various other programs. Three hundred new moderate-income units will be financed through a City sponsored single-family mortgage bond issue of $55 million. This will fund 700 or more loans of which 300 are assumed to be new homes bought by moderate income households. A similar sized bond issue will be sponsored every two years.

- 1986: 25 lower-income units; 0 moderate income units.

  There will be 10 owner-built homes and 15 homes built under other miscellaneous programs.

- 1987: 56 lower-income units; 304 moderate-income units.

  There will be 10 owner-built homes and 15 homes built under various other programs for lower-income families. Thirty-one lower-income and four moderate-income homes will be built on 35th Avenue surplus land. Three hundred new homes for moderate-income families will be financed with City mortgage revenue bonds.

- 1988: 25 lower-income units; 0 moderate-income units. (See 1986.)

- 1989: 25 lower-income units; 300 moderate-income units. (See 1986 and 1987.)

B. New Rental/Coop Housing

- 1985: 173 lower-income units; 0 moderate-income units.

  A total of 131 units of elderly housing will be built under the Section 8/202 program (Evergreen Terrace, 80 units, and Allen Temple, 51 units). Twelve units for the mentally disabled will be built under Section 8/202, and a 30-unit coop for families called Nueva Vista will be built by OCHI.

- 1986: 131 lower-income units; 363 moderate-income units.

  Twenty units of lower-income family

rental housing will be created by San Antonio Apartments. Eleven units of lower-income family apartments and 43 moderate-income units will be built at Foothill Plaza. Twenty units of conventional public housing apartments for the handicapped will be built by OHA. Eighty units of lower-income rentals and 320 units of moderate-income rentals will be financed with the City's Multi-Family Mortgage Bonds. Of the 2,000 units to be built as a result of this program over five years, 20 percent will be for lower-income renters.

. 1987: 200 lower-income units; 390 moderate-income units.

The assumption is made that 50 units of lower-income elderly housing will be built under the HUD Section 8/202 program. About 70 lower-income and 70 moderate-income family units will be completed in the EBALDC-sponsored development. Eighty lower-income and 320 moderate-income new rental units will be financed under the City's Multi-Family Mortgage Revenue Bonds.

. 1988: 180 lower-income units; 320 moderate-income units.

It is assumed that one hundred units of lower-income family housing will be built from local sources such as tax increment funds, HODAG grants, etc. Eighty units of lower-income and 320 of moderate-income rentals will be financed with Multi-Family Mortgage Revenue Bonds.

. 1989: 230 lower-income units; 320 moderate-income units.

Fifty units of lower-income elderly housing will be developed under Section 8/202. One hundred units of lower-income family housing will be funded from locally controlled sources (see 1988). Eighty lower-income and 320 moderate-income family rental units will be financed with City Multi-Family Mortgage Revenue Bonds.

HOUSING REHABILITATION:

A. Ownership Housing

. 1985: 275 lower-income units; 0 moderate-income units.

Two hundred and fifty rehabilitation loans will be made through the City's HMIP program; HMIP will also fund the purchase, rehab, and sale of vacant houses. Fifteen homes will be rehabilitated by the NHS program.

. 1986: 301 lower-income units; 0 moderate-income units.

Twenty-six units of lower-income homes on Golf Links Road will be rehabilitated by NHS and sold; the rest of the program is the same as 1985.

. 1987 through 1989: 275 lower-income units; 0 moderate-income units.

Same as 1985.

B. Rental Housing

. 1985: 540 lower-income units; 0 moderate-income units.

Two hundred units will be rehabilitated with financing from the City/Bank of America Multi-Family Rehabilitation Mortgage Bonds. One hundred units will be rehabilitated with HUD's Section 8/Moderate Rehabilitation program if the Housing Authority's application is approved.

The Oaks Hotel rehabilitation (81 units) will be completed. During the whole five-year period, it is anticipated that an average of 20 units per year will be rehabbed with HUD 312 loans. A total of 139 units has been funded for fiscal year 84-85 under HUD's Rental Rehab grant program; these include rent subsidies under the Section 8 and rent voucher programs.

- 1986: 170 lower-income units; 0 moderate-income units.

  The rehabilitation of the St. Marks Hotel/Victoria Plaza's 100 units should be completed; funding is from HUD's Substantial Rehabilitation/Section 8 program. Twenty units are assumed to be funded with Section 312 loans. It is also estimated that fifty units will be rehabilitated with HUD's Rental Rehab grants.

- 1987: 70 lower-income units; 0 moderate-income units.

  Rehabilitation will occur on 20 units with Section 312 loans and on 50 units with Rental Rehab grants.

- 1988: 170 lower-income units; 0 moderate-income units.

  It is estimated that 100 units of residential hotel housing will be rehabilitated using locally-controlled funds. In addition, there will be 20 units rehabbed with Section 312 loans and 50 units with Rental Rehab grants.

- 1989: 70 lower-income units; 0 moderate-income units.

  (See 1987.)

HOUSEHOLD ASSISTANCE

A. Homeownership

- 1985, 1987, 1989: 40 lower-income units; 360 moderate-income units.

  It is estimated that this number of families will be assisted in purchasing existing homes through the City's single-family mortgage bond issue. It is assumed that a single-family bond issue for home financing will be issued every two years. (See New Construction, Ownership Housing.)

- 1986,1988: 0 lower-income units; 0 moderate-income units.

  (See above.)

B. Renter Assistance

- 1985: 476 lower-income units; 0 moderate-income units.

  The Housing Authority has been allocated funding for fiscal year 84-85 for 50 units of new Section 8 Existing and 426 units of rent vouchers under HUD's demonstration program.

- 1986: 100 lower-income units; 0 moderate-income units.

  The Housing Authority estimates that HUD will allocate about 100 units of new rent vouchers each year from 1986 through 1989.

- 1987: 175 lower-income units; 0 moderate-income units.

  It is probable that the Housing Authority will receive funding from HUD for a public housing acquisition program where existing rental housing

is purchased given minor rehabilitation, and then operated as public housing by the Authority. They have applied for 75 units. One hundred units of rent voucher allocations are also expected.

. 1988: 100 lower-income units; 0 moderate-income units.

(See 1986.)

. 1989: 100-lower income units; 0 moderate-income units.

(See 1986.)

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